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FIRST MEETING OF LIFE TERMINOLOGY COMMITTEE

Finding New Names For Ordinary, Industrial Poses Tough Problem

By ROBERT B. MITCHELL

Easily the toughest problem encountered by the committee on life in-



E. J. Faulkner



S. S. Huebner

surance terminology at its first meeting, held at the new CLU headquarters building in Bryn Mawr, Pa., was the job of finding more meaningful and acceptable terms to supersede "ordinary" and "industrial" as the labels for two classes of life insurance.

The committee is one of five insurance terminology committees operating under the Commission on Insurance Terminology of American Assn. of University Teachers of Insurance (now called American Risk & Insurance Assn.). The life committee is headed by Dr. S. S. Huebner, president emeritus of American College. Dr.

Md. Commissioner Warns:

Twisters In Agent, Company Ranks May Soon Lose Licenses

Twisting may cost not only agents, but companies as well, their Maryland licenses, Commissioner Sears indicated in his talk before the Maryland Assn. of Life Underwriters, in which he referred to the investigation being conducted by the department.

"Some of the chief offenders, both agents and companies, may wake up shortly to find they have no license with which to continue their activities in Maryland," he said.

Steps must and will be taken to call on the Maryland association for help in the passage of a model bill regulating the sale of credit life and health insurance. Such a bill was presented at the recent session of the legislature but didn't get out of committee.

Mills Out In W. Va., Commissioner Is A Lady

Commissioner Hugh Mills of West Virginia has resigned that position and taken a job with the state highway department. His successor is a lady, Mrs. Virginia Mae Brown, who has been assistant attorney general since 1949. She is a graduate of the University of West Virginia.

Huebner was present at the meeting and took an active part in the discussion, but because of having recently recovered from a virus attack he asked President E.J. Faulkner of Woodmen Accident & Life to preside. Mr. Faulkner is chairman of the committee on health insurance terminology.

The search for better designation than "ordinary" and "industrial" was made doubly difficult because of the impossibility of pinning down precisely what each of these categories actually covers. Obviously, any new designation should indicate what the category is supposed to include. Yet each line between the two categories ran into trouble.

For example, any classification on

(CONTINUED ON PAGE 7)

Gay Urges Finding New Approach To Meeting Medical Cost Problem

The urgency of finding a new approach to meeting catastrophic medical care costs, one that recognizes that these costs are a political issue and at the same time avoids the hazards of federal control, was voiced by Clyde F. Gay, executive vice-president of John Hancock, at regional meetings of the company's general agency leaders in Washington, D. C., and Asheville, N. C.

In a discussion of new ways to meet medical care costs, Mr. Gay said that so far only two methods have been advanced—the solution of the problem on a voluntary basis and the extension of aid on a compulsory basis through the social security system.

"It is imperative that we find another approach," Mr. Gay urged.

Citing an opinion of editors on a leading medical newspaper who suggested a solution through the use of the federal tax structure, Mr. Gay explained that corporations with catastrophic losses are permitted to claim these losses as tax deductions on a retroactive basis for three years. Then, if they are still not absorbed, the losses may be carried forward an additional five years.

"It is proposed," Mr. Gay said, "that a similar procedure be applied to individuals in relation to catastrophic medical care costs. Medical care for the general population might be considered as catastrophic above a certain stipulated sum or percentage of net taxable income.

"The word catastrophe implies that the cost cannot be planned for or budgeted in the usual way. Income tax deductions would then be permitted for these expenses. When the deduction is greater than that applicable for a particular year, the balance could become retroactive for the preceding three years. If the loss is still not recovered, the individual, like the corporate taxpayer, would be permitted to credit the deduction forward for a maximum of five years," Mr. Gay said.

Small Dollar Gain In April Ordinary Sales; Total Up 5%

Sales of ordinary life insurance in April totaled \$4,412,000,000, a less than 1% gain and a dollar increase of \$26 million, according to LIAMA. Total sales for the month were \$6,135,000,000, up 5%, and for the first four months amounted to \$25,415,000,000, a 13% increase. Ordinary sales for the four-month period were \$16,549,000,000, for a dollar gain of \$38 million.

Ordinary figures include individual policies written on groups of people—\$152 million in the first four months of 1961 and \$205 million during the four-month period in 1960.

April group sales reached \$1,142,000,000, a 32% gain, and in the four months were \$6,651,000,000, an 82% increase. These group figures represent new groups set up plus additional coverages under amended group contracts already in force.

Industrial sales for April totaled \$581 million, for a dollar decline of \$16 million, and for the four-months were \$2,215,000,000, down \$16 million.

Gerber Receptive To Nomination As NAIC Executive Chairman

Director Joseph Gerber of Illinois has made it known to some of his friends that if the chairmanship of the executive committee of National Assn. of Insurance Commissioners is offered to him at the annual meeting of NAIC in Philadelphia June 4-9, he will accept the position. Mr. Gerber was in line for this job when NAIC met last June in San Francisco, but he took himself out of the running. The fact that he would accept the chairmanship now and thus put himself into line for the presidency of NAIC two years hence means that he is going to stay on as Illinois director until the expiration of his term.

Ever since Mr. Gerber was reappointed by Gov. Kerner last fall, there had been speculation that it was an interim appointment that would end with the adjournment of the legislature in mid-summer.

C. Carney Smith, secretary of General Agents & Managers Conference of NALU, second from left, presents a GAMC certificate of charter to officers of the newly formed local association at Charleston, W. Va. From left are L.W. J. Stokley, Peoples Life, president of the Charleston unit; Mr. Smith, who is also general

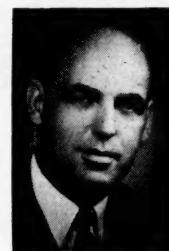
agent of Mutual Benefit Life at Washington, D.C.; William V. Courtney, New England Life, vice-president, and Howard Gandee, deputy commissioner of West Virginia.

Actuaries Chosen For NALU Study Of Association Group

McCarty, Group Committee Head, Emphasizes Freedom From Preconceived Ideas

WASHINGTON—The actuarial firm of Bowles, Andrews & Towne has been engaged by National Assn. of Life Underwriters to undertake a professional study of so-called association group insurance, including franchise and wholesale. Its scope is the "member-pay-all" type of plan, not groups of employers banded together in industry associations.

Spencer L. McCarty



The study will be under the auspices of the group insurance committee, headed by Spencer L. McCarty, Provident Mutual, Albany, managing director of the New York State Assn. of Life Underwriters. He emphasized that the study will be conducted with no preconceived ideas on the part of either NALU or the actuarial firm as to the results that will be obtained. The purpose will be to determine impartially and objectively the advantages and drawbacks of association group plans in various types of organizations and situations. By having a recognized firm of actuaries do the study NALU hopes to come up with facts and figures that will be convincing both to association members and to insurers interested in writing such coverage.

Authorized At 1960 Midyear

At the midyear meeting in Louisville in March, 1960, the NALU board authorized an expenditure of \$5,000 for the project, with authorization to the executive committee to spend up to \$5,000 additional. This was reaffirmed

(CONTINUED ON PAGE 22)



More Comprehensive Health Benefits, Help For Aged Urged In Mich. Study

Although three out of four families in Michigan have some kind of pre-paid health insurance, two-thirds of the total medical bill still is paid directly out of the family pocketbook, the first of three reports of a University of Michigan study of hospital and medical economics in the state has revealed. The survey, which was conducted for three years with grants of \$380,000 from the Kellogg Foundation of Battle Creek, is the largest independent analysis on this subject that has been made in any state.

Contains Vast Implications

Containing vast implications for the insurance industry, the report emphasizes critical areas such as coverage for the aged and low income groups, and underscored in its recommendations are the desires for more comprehensive coverage and continuation of group insurance into retirement. It exhorts prepayment plans to give "some primacy to social goals over market considerations. . . . Specifically, they should cease offering contracts to those age 65 and over which contain significant deductible or coinsurance provisions, low ceilings on indemnity payments,

or numerous exclusions. Wherever relevant, the powers of the insurance commissioner should be used to encourage this development."

In a preface to the report, Walter J. McNeerney, head of the university's bureau of hospital administration and director of the survey, stated that health is now viewed as a necessity, ranking in importance with food, clothing and shelter. "There is no longer any question of whether people receive health services. It has become a mat-

ter of how only. A more affluent society... gives every indication of wanting to put more than the acute hospital illnesses under prepayment or insurance.

"Perhaps up to 70% of the medical care dollar will be covered in the next 10 years. The coverage will probably have to be simply stated with no cute limitations, and it will probably be less unique by local area. If voluntary ways cannot be found to cover such difficult

(CONTINUED ON PAGE 9)

Mich. Health Care Study Brings Forth Reverberations

Release of the first of three sections of an exhaustive report on a Michigan hospital care survey has brought some reverberations.

The report specifically asserted that "private health insurance companies should give some primacy to social goals over market considerations. . . . Specifically they should cease offering contracts to those aged 65 and over which contain significant deductible or coinsurance provisions, low ceilings on indemnity payments or numerous exclusions. Wherever relevant, the powers of the insurance commissioner should be used to encourage this development."

Blackford Comments

Commenting on this recommendation, Commissioner Blackford of Michigan said chief offenders appear to be unlicensed insurers who "prey" on older Michigan residents through misleading advertising, chiefly through the mails. He said, however, that reliable, authorized insurers "haven't moved into the field of health care as they could." Keen competition has tended to keep emphasis on select risks as the insurers cannot accept the poorer risks and remain competitive under present conditions. Good risks are able to get such low rates that underwriting of risks in which experience is unlikely to be favorable is made virtually impossible.

"Until we solve the problem of medical care for the aged," he said, "rates for hospital-medical coverage will continue to go up." He said persons over 65 now have the greatest need for coverage but are able to get the least protection.

Dr. Kenneth Johnson, Lansing, president of Michigan State Medical Society, disagreed to some extent, however. He said he saw no evidence "that care of the over-65-age individuals creates any greater cost than that in any other segment of the community covered under Blue Cross-Blue Shield."

Funded Security Corp. Acquires 3 Insurers

Funded Security Corp. of Chicago acquired Pilgrim National Life of Chicago; International Life of the Americas, and Trans-American Life, both of San Juan, P.R. The acquisitions will be through an exchange of stock involving approximately 750,000 shares of Funded Security.

The announcement was made jointly by J. M. Edelstein, president Funded Security, S.R. Ballis, president Pilgrim National, Fred Gilbert, president Trans-American, and Dr. Juan B. Soto, president International.

Mr. Edelstein said these acquisitions will provide the basis for an expanded program of life insurance and allied business in the U.S., Central and South America. The combined companies presently have premium income in excess of \$1 million and more than \$35 million of insurance in force. Pilgrim and International Life write ordinary life and related contracts, while Trans-American specializes in industrial insurance.

Funded Security, organized in 1959,

L. J. Balboni Heads Boston Assn. Slate

BOSTON—Lario J. Balboni, Metropolitan Life manager, is the nominee for president of the Boston Life Underwriters Assn. He is immediate past president of New England General Agents & Managers Assn. and has served as a director and vice-president of the Boston association. He was chairman of the 1961 New England sales congress.

Other nominees are, for vice-presidents, Donald Shepherd, John Hancock, Quincy, and Laurens F. Bruno, Equitable Society; secretary-treasurer, Albert E. Richardson Jr., Hartford Life.

The election will be June 7 at the John Hancock building's Dorothy Quincy suite during the business meeting at 11 a.m., that will precede luncheon. Luncheon speaker will be William T. Earls, Mutual Benefit Life general agent at Cincinnati, who will talk on "Know Thyself."

is the parent company of Funded Security Life, a legal reserve life company, and James, Martin & Co., dealer in mutual funds.

IASA Elects Morgan President At Annual



Front row, from left: Bryson Clarke, Logan H. Campbell, Lowell S. Rinehart, William R. Morgan, Gilbert Tattersall, Jack Schreihofe.

Back row: Charles L. Jones, Herman E. Otto, Frank W. Duboc, Joseph R. Slights, Kellum Johnson, and Gerald D. Viste.

At the annual international conference, in Los Angeles, Insurance Accounting & Statistical Assn. elected the following officers: President, William R. Morgan, Equitable Society; vice-president (program), Logan H. Campbell, Gulf Life; vice-president (conference), S. Gilbert Tattersall, Liberty Mutual; vice-president (finance), Jack N. Schreihofe, Transport Indemnity; director (life, A&H and group), Joseph R. Slights, Phoenix Mutual; director (fire and casualty), Bryson Clarke, Kansas City F&M.; director (local chapters), Kellum Johnson, Gulf; director (research), Gerald D. Viste, Employers Mutual Liability; director (public relations), Herman E. Otto, Southland Life; director (publications), Frank W. Duboc, Western Casualty; director (exhibits), Charles L. Jones, Excelsior Life.

The association was organized in 1928 by representatives of eight life insurance companies. Membership has steadily increased to a present membership of 803 life, fire, casualty and A&S companies in the U.S., Canada, Europe, South America, Central America, Mexico, Hawaii, Australia, England and Sweden.

McLain To Leaders: Important That Good Image Be Preserved

It is not enough to have created a favorable public image for the life insurance business if it is not followed up by performance to preserve that image, James A. McLain, chairman of Guardian Life, said in his closing address at the regional meeting of the company's President's and Leaders Clubs in San Francisco.



James A. McLain

Mr. McLain said, "In recent years we in life insurance have been concerned—quite properly—about developing the right image for our business, and I feel we have had great success in gaining public acceptance of that image."

However, Mr. McLain, added, "Now we must concern ourselves to be sure that our performance in the future lives up to the favorable position we occupy today."

The regional meeting of the President's Club opened with an address by Guardian President John L. Cameron, who discussed the company's growth. The balance of the first day's program was turned over to discussions of insurance as a solution to partnership problems and uses of corporate owned life insurance. Discussion leader was Richard H. Foster, partner in the Los Angeles law firm of Foster & Gemmill. Mr. Foster and Price H. Topping, vice-president and associate general counsel, conducted the second day's session which dealt with business life insurance and trends and developments in the tax field.

At the western regional meeting of the Leaders Club the following day Mr. Topping reviewed some of the features of the company's recently introduced coverages and their application to various business situations after which Edward C. Zeiger, actuary for ordinary insurance, covered the highlights of the new life contracts.

The fourth day of the meeting was devoted to panel discussions. Gerald S. Parker, 2nd vice-president, moderated a panel on health insurance sales which included Arthur Heith, Brooklyn, Aubrey Mendle, San Francisco, and Mel Meyer, St. Paul. Earl W. Clegg, superintendent of agencies, headed a panel on using Guardian's new life products. The panel was composed of Douglas Bailey, Boston, Michael Barclay, New York, Leo Futia, Buffalo, and Larry Rappaport, New York. A final panel moderated by Brian S. Brown, assistant vice-president, featured members of the company's Million Dollar Club, who discussed prospecting and sales methods.

Rinehart Resigns In Ala., Page In Post

Edmond L. Rinehart, Alabama superintendent, has resigned to join the Birmingham law firm of Deramus, Flu & Johnston. Named to succeed him as superintendent is William D. Page, Huntsville attorney.

Mr. Page, 27, has been chairman of appeals for the state's department of industrial relations. E. C. Hornsby will continue to serve as confidential assistant to the superintendent.



Do you know what your hospital offers you?

To all of us, a hospital is a familiar and reassuring landmark—a place we know we can depend on when we're sick or injured.

One out of eight of us requires hospital care every year. This means that our hospitals have a heavier load than ever before—their staffs busier—their problems more complex.

But many of us do not know what hospitals are really like. It is remarkable how they manage to run so smoothly and efficiently 24 hours of every day

and are able to provide such a wide variety of skills and services under one roof.

Our hospitals need your help and support. During National Hospital Week—May 7th to 13th—visit and talk to the people who run your hospital. Ask if there is a volunteer job you could do.

A good, modern hospital is vital to the health of your community. Support it in every way you can. Every hospital—large or small—becomes a better hospital with your support.

Metropolitan Life

INSURANCE COMPANY

A MUTUAL COMPANY

1 MADISON AVENUE, NEW YORK 10, N.Y.



This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in publications with a total circulation in excess of 45,000,000 including Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, Redbook, Reader's Digest, National Geographic, U.S. News, Look.

W. L. Loper Head Of New England Area Life Managers Assn.

Walter L. Loper, Prudential, Springfield, Mass., was elected president of New England General Agents & Managers Assn. The meeting was at Chicopee Falls, Mass.

Other officers elected are Creeley S. Buchanan, Phoenix Mutual, Manchester, N. H., vice-president; Walter W. Parmalee, John Hancock, Portland, Me., secretary; William R. Robertson, Massachusetts Mutual, Boston, treasurer; Charlton E. Northrop, Prudential, Portland, Me., Carl T. Furniss, Connecticut General, Bloomfield, Conn., and John H. Bishop, John Hancock, Waltham, Mass., directors.

Speakers Are Listed

Speakers for the two-day conference were Karl H. Kreder, vice-president Metropolitan Life, Daniel H. Coakley, New York Life agent in Boston, Charles H. Schaaff, executive vice-president Massachusetts Mutual Life, and Robert

E. Slater, vice-president John Hancock.

Mr. Furniss moderated a management panel, panelists being Willard H. Griffin, Northwestern Mutual, Hartford, James M. Robertson, Manufacturers Life, Hartford, Thomas W. Henry, New York Life, Hartford, and John Kugler, John Hancock, Providence.

SEC Hearing June 12 On Pru Exemption Bid For Variable Annuity

WASHINGTON—Securities & Exchange Commission has scheduled a hearing for June 12 on Prudential's application under the investment company act of 1940 for an exemption order pertaining to its proposed offering and sale of variable annuity contracts. The application seeks a determination that Prudential will be the issuer of such contracts and is not an investment company required to register under the investment company act.

DuKane Corp., manufacturer of audio-visual equipment, has named J. McWilliams Stone Jr. executive vice-president.



Sell And Hold A Group Case With This New Service

Group insurance should help boost morale, hold key employees, and stimulate productivity.

But this happens only if employees *appreciate* their insurance and *recognize* the employer as the man who makes it possible.

Occidental's new MANAGEMENT RECOGNITION PROGRAM builds that employee appreciation.

It's done with posters, payroll notices, letters, news stories, and good will materials. And it's *all* done for the employer by Occidental. We install the program. We supply materials to maintain it. No additional cost.

A door opener to group prospects, this service helps make sales. Helps keep the employer satisfied. (That holds the case on the books.)

Employers by the thousands are learning about Management Recognition in an extensive advertising campaign now under way in Nation's Business and Business Week.

They will want to hear more about it—from you!

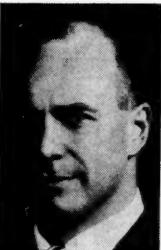
OCCIDENTAL LIFE

Insurance Company of California
Home Office: Los Angeles/Earl Clark, C.L.U., Vice President
(A MEMBER OF THE TRANSAMERICA INSURANCE GROUP)

We pay Lifetime Renewals...they last as long as you do!

Two Appointments In I.N.A. Transfer Of A&S Unit To Life Company

Insurance Company of North America, on July 1, will transfer its health



Edwin H. Marshall



Charles E. Stevens

insurance operations to its life subsidiary, Life of North America. As part of the same move, Charles E. Stevens, assistant secretary, A&S, in the life company, and Edwin H. Marshall, vice-president, A&S, of the parent company have been named to serve in the same capacity with the life subsidiary.

Mr. Stevens entered the insurance business with Standard Accident in 1941, later becoming manager of the company's education department. He joined INA in 1957 as assistant superintendent, A&S, and after that superintendent. He is a past chairman of the executive committee of HIA.

Mr. Marshall, who continues as vice-president, A&S, of INA, joined the parent company in 1942 as an underwriter at New York. He became superintendent of the A&S department and later was elected assistant secretary and eventually A&S secretary for both INA and Life of North America. He was elected assistant vice-president of INA in 1957.

Continental Assurance Names Deston In L. A.

Raymond Deston has joined Continental Assurance as resident vice-president of the Pacific Coast department in Los Angeles. A CLU and 27-year veteran in the life insurance business, for the past two years he has been vice-president and director of agencies of West Coast Life. Before that for 25 years he was with John Hancock as agent, general agent, home office agent.



Raymond Deston

agent, general agent, home office agent.

New Features Added To Guardian Life's Group Major Medical Plans

Guardian Life has revised its group major medical plans, the important features of which include new flexible limits for tailoring programs to the individual case, automatic reinstatement of the surgical limit after one year without evidence of insurability and a "corridor" deductible in addition to an integrated deductible.

A 'Corridor' Deductible

The corridor deductible, when written on top of a first-dollar health insurance plan, leaves a coverage gap between the major medical and first-dollar plans, requiring the insured to always pay the total deductible amount. An integrated deductible, on the other hand, makes it possible for the first-dollar plan to pay all of the deductible and for the insured to pay nothing, or to pay part of the deductible and for the insured to pay only the balance of the deductible.

Under the new plans, \$300 or \$500 integrated deductibles are available. In the new corridor plans the deductibles range from \$100 to \$600 by multiples of \$50.

Under the previous Guardian group major medical plans, if one of three available room and board limits were chosen, the surgical limit and the over-all maximum were set amounts which automatically accompanied the room and board limits. With the new plans not only have room and board limits been increased, but the surgical limit may be selected as desired in each case.

Limits May Vary

Hospital daily room and board limits are \$15 to \$35 by multiples of \$1; the surgical limits are \$750 to \$1,500 in multiples of \$50 and the over-all limits are \$5,000 to \$15,000 in multiples of \$500. For groups of less than 25, the ceilings are room and board, \$25; surgical, \$1,000, over-all limit, \$7,500.

As in earlier plans, the new ones offer lifetime coverage continuable after retirement, where possible, or through conversion to individual guaranteed renewable major medical plans. With the exception of private nursing service, which is reimbursed up to 75% of cost, there is no coinsurance. The three-year benefit period, the per illness deductible and coverage for dependents from birth to age 23 have been retained.

Raymond Deston is supervisor and vice-president in charge of Pacific coast operations.

The Minuteman

Symbol of Success
to a fast-growing group
of General Agents

Old Republic

LIFE INSURANCE COMPANY
CHICAGO 1, ILLINOIS

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Chicago Managers Elect; Hear How Allstate Life Is Faring As Friendly Competitor

How many life companies have so many bona fide leads for their agents that they can't follow them all? There are probably few available statistics (or few such companies either), but it is known that Allstate Life is in this unique position. The information was revealed by D. S. Connell, the company's vice-president life, A&S, at the annual meeting of Life Agency

Managers of Chicago.

This treasure trove was the result of a questionnaire on life insurance included in a company publication which drew 40,000 replies. Split up among Allstate's some 4,000 agents in the U. S. and Canada, there are more than enough prospects to go around. (Actually, 15,000 were left over.) Even the speaker was surprised at the num-

ber of replies, he said, since the form included 25 questions to be answered, "and with the small space allowed, it couldn't be done with a dull pencil."

Stresses Diversification

Speaking on "A New Approach To Marketing Insurance," Mr. Connell stressed the "product diversification of Allstate, which has opened great new markets and provides the launching pad for tomorrow's growth. Our objectives for the future are clearly spelled out. The authority of our various marketing elements has been defined to

achieve our goals." In the life and A&S business alone at the one and one half applications per month for each of the two lines expected of each salesman, this amounts to a lot of money, he said. In 1960 the 4,000 agents wrote 40,000 life applications and 39,000 of A&S.

Allstate Life doesn't expect to be "the outlanders we were in the casualty business," he said, and wants to work with the rest of the life industry. "We want to be good neighbors. In the vast majority of cases we do not want to be formidable competitors. We can only become such if we seek the same markets. If we meet too often in the market place, one of us is making a great mistake in our prospecting technique.

Year's Exposure Convinces

"A year's exposure to Chicago, and particularly to the North Shore, convinces me that most of you have to finance men at the rate of \$500-600 per month or more. An old timer once advised me to prospect among men making two times my income if I wanted to prosper and grow in the life business. Thus, I conclude that the majority of your men are prospecting for \$12,000 to \$14,000 a year men or above.

"We relish the thought of seeing these people, but must constantly remind ourselves and our men that this is not our prime market and may never be. If there are men present here who can live on \$300 or \$400, we will look forward to your friendly competition and hope—as has always been the tradition—we'll profit by the experience and admire and respect one another win, lose or draw."

Earle S. Rappaport, Pacific Mutual Life, was elected president to succeed M. B. Bay, Prudential. Robert F. Ober, North American Life of Canada, was named vice-president and Wheeler Tracy, New York Life, secretary-treasurer. Elected directors for two years are Alfred A. Gliemi, Prudential; Burnham L. Batson, Connecticut General, and J. Gordon Michaels, Continental Assurance. For one year: Charles E. Butler, Fidelity Mutual Life; Dan A. Kaufman, Northwestern Mutual, and C. T. Rothermel Jr., John Hancock.

Details Allstate's Progress

In view of the fact that it is Allstate's 30th anniversary year, Mr. Connell detailed some of its progress from \$18,000 in premiums on 4,217 automobiles, handled by 20 employees in a one-room office to what he called the third phase in the company's growth. This period was marked by an increased pace in product diversification, six major lines being launched during 1957-58. This diversification "has contributed significantly to Allstate's growth," he said, "and is reflected in the continuing rise in premiums written. Sales in 1960 exceeded \$502 million—more than 41 times greater than annual sales at the end of World War II."

Allstate's plans are based on a number of basic marketing principles, Mr.

(CONTINUED ON PAGE 19)

Check List for a Kansas City Life KEY MAN

M. JACK LONG
Long Beach, California



- ✓ Vice Pres.—President's Club—Renewal 1961
- ✓ Charter Star Member of the President's Club—having qualified every year since the club was founded
- ✓ Kansas City Life Agent 39 years
- ✓ National Quality Award 15 times
- ✓ Vice Pres.—President's Club—Average Size Sale 1949-1955
- ✓ Vice Pres.—President's Club—Renewals 1950
- ✓ Vice Pres.—President's Club—Gross Premiums 1953
- ✓ Vice Pres.—President's Club—Paid Premiums 1957
- ✓ Member "App-a-week Club" 1,256 weeks as of March 13, 1961, which means he has written at least one application every week for more than 24 years
- ✓ Company leader for the year numerous times in Net Volume, Gross Premium, in many other categories
- ✓ Top Hatter at the 1957-1958 President's Club Seminars—which means that he has paid for at least one million dollars of production with Kansas City Life in the qualifying year
- ✓ National Association of Life Underwriters officer at the local, state and national levels for many years
- ✓ Relaxes with deep sea fishing—landed a 178 pound Marlin swordfish off Catalina Island, California
- ✓ M. Jack Long—a Kansas City Life Key Man for 39 years



KANSAS CITY LIFE
INSURANCE COMPANY

Morrell Will Open Health Agents Meeting In N.Y.C.

Louis C. Morrell, executive vice-president in charge of health insurance of Continental Casualty, will deliver the opening address at the breakfast which will begin the convention of International Assn. of Health Underwriters at the Waldorf Astoria Hotel in New York, June 11.

Mr. Morrell's companies, Continental Casualty and Continental Assurance, will sponsor the breakfast.

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Finding New Names Poses Tough Problem

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the basis of frequency of premium payment is stymied by the fact that both weekly ordinary and monthly industrial are sold. Nor does the size of policy provide a satisfactory way of distinguishing the two categories.

It was recognized that the most distinctive features differentiating the two types of insurance are those in the policy contracts themselves, but this still left the committee with the problem of what to call a policy that has the "industrial" type of provisions if you are going to stop calling it industrial.

Meant 'Usual'

The problem of finding a better-sounding name than "ordinary" was fully as baffling. It was brought out that probably "ordinary" was never intended in a derogatory sense but was merely used as meaning "usual" to distinguish it from industrial, when industrial first went on the market. The committee discussed various alternatives to "ordinary" but none of them even came close to being considered acceptable.

The main trouble with many alternatives is that while the designation itself might be all right, the connotations it would impose on any other variety of insurance would be undesirable. "Regular" would make other insurance seem to be irregular. "Standard" would put other insurance into the substandard category, besides causing confusion with "substandard" to designate rated cases.

Should Send In Ideas

The upshot of the "ordinary" and "industrial" discussion was that committee members should consider the problem in its various aspects and send their ideas for improved designations to Chairman Huebner or the committee's editor, Prof. David A. Ivy of the University of Connecticut School of Business Administration.

That suggestion was made by President Davis W. Gregg of American College, who is chairman of the Commission on Insurance Terminology and president of American Risk & Insurance Assn. He also suggested that it might be well to appoint subcommittee from outside the business—from the legal profession and the advertising business, for example—who might provide perspective on the problem that people in the business lack.

There was quite a lot of discussion about whether "life insurance" should be the over-all generic term, as against "life insurance and annuities." It was conceded to be undesirable to have a term mean two different things—in this case life insurance alone in some connections and life insurance plus annuities in others—but the complexities of trying to use such a lengthy over-all designation as "life insurance and annuities" were conceded to be too great to overcome. A show of hands indicated that a large majority of the committee wanted "life insurance" as the generic term that would include annuities and also as a sub-generic term that would exclude annuities.

Won't Be Superseded

Whether agents should continue to be called agents or something else was a question that generated lively discussion. It was brought out that "agent" indicates the legal relationship between the salesman and his company and hence it can't be expected that the term will be superseded at least within the business. However,

lenged this point, but the feeling still persisted that "life underwriter" is a better designation, from a public relations standpoint that "agent."

Several other possible designations, such as "consultant" and "counselor," were brought up, but got no serious discussion. "Salesman" was not even mentioned. One member said that probably the public doesn't think of the life insurance man as an "agent" or a "life underwriter" or any other specific designation, but is more likely to refer to him simply as a life insurance man.

A note of warning on the popularizing of "life underwriter" was sounded by Eugene M. Thore, vice-president and general counsel of Life Insurance Assn. of America. He said "life underwriter" might be understood by the public to imply broader powers than those granted an "agent," and, he said, "that is what bothers me."

A point on which the entire committee agreed quickly was that "group" is an unbeatable designation for that category of insurance.

MONY INTRODUCES TWO NEW HEALTH INSURANCE POLICIES

1. DISABILITY INCOME: Provides broad protection against total disability due to sickness or accident. **2. MAJOR MEDICAL:** Offers substantial protection against catastrophic medical expenses due to a major sickness or injury.

Compare these MONY features with those in any other plan:

1. Top commissions
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4. Minimum of exclusions
5. M. M. offers unusual combinations of high inside limits and coinsurance
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MONY's new Health Insurance Policies present a double opportunity to help meet the personal insurance needs of your clients.

Send for free sales brochure that summarizes coverages of these two new policies and combines them into a unique sales tool for interviews.



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Broadway at 55th Street, New York 19, New York

Please send me your FREE brochure describing MONY's new Health Insurance Program.

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MUTUAL OF NEW YORK

The Mutual Life Insurance Company Of New York, New York, N. Y.

Offers Techniques To Implement Proposed Self-Programming Policy

Suggestions for implementing a self-programming plan that would automatically change with changes in the insured's family status were advanced by George R. Jordan Jr., 1st vice-president and actuary of Southland Life, at the annual meeting of American Assn. of University Teachers of

Insurance. Mr. Jordan was discussing a paper presented earlier by Prof. Robert I. Mehr of University of Illinois on the life adjustment policy.

"Dr. Mehr has outlined a very original idea for providing a type of insurance coverage somewhat different from any coverage currently offered,"

said Mr. Jordan. "The type of policy which he has in mind would be issued to young, unmarried males and would provide for a level premium payment. The unique features of the policy are that during the period when the insured is unmarried a relatively low death benefit would be available, but death benefits would automatically increase upon marriage and upon the birth of each child, with the possible limit on the number of increases due to birth of children. The increases at the time of birth of each child would be of the decreasing term type, so that

the policy viewed as a whole is self-programming through a formula arrangement with respect to the insured's family status."

Outlines Several Methods

Mr. Jordan outlined several methods that he said might be employed in providing the desired benefits.

1. Options may be added to conventional policies to provide for the necessary changes to grant the desired benefits on the occurrence of each vital event. These options would be based on the actuarial equivalents of the policy at the time adjustments would be made.

2. Policies may be designed to provide the necessary benefits based upon the probabilities of death and probabilities of vital events of marriage and birth.

3. Conventional policies may be designed to provide the necessary benefits based on assumptions that marriage and parenthood occur at specified points of time subsequent to issue. However, since the time of occurrence of these events will vary from that assumed, the policy benefits will change according to the actual time of occurrence of marriage and parenthood. (The assumptions used would be based upon appropriate statistical data.)

Needs High Investment Element

Under the first proposed method, if added to conventional policies in the form of an option, these benefits would require a base policy that has a high investment element, such as the 20-payment life or one of the various endowment policies. The base plan would be changed to the whole life plan at marriage and appropriate decreasing term benefits would be added upon the birth of each child, with appropriate reduction in the whole life benefits.

To modify the contract upon marriage, the policy values (reserves or cash values) would be used to buy paid-up life insurance benefits and the net level premium that the insured pays would be used to purchase whole life insurance at net rates at the attained age of the insured. The total whole life death benefit would then be the sum of the amounts purchased in these separate ways.

There are several methods of providing the decreasing term benefits at the time of birth of the children. All of these methods require adjustments of some sort in the basic whole life coverage.

Initial Amounts The Same

One way of doing this would be to provide that decreasing term benefits having the same initial amount of death benefit for each child would be added at the time of birth of the child. These benefits would expire a given number of years from the year of the child's birth. Or, decreasing term benefits having the same initial amount of death benefit are added at the time of birth of each child. All decreasing term benefits added because of birth of children expire at an age fixed by the birth of the first child.

As for adjusting the whole life coverage, the amount of the base policy might be reduced during the time when the decreasing term benefits are in force. This amount would be restored on expiration of the term benefits. Another way would be to have the amount of the base policy reduced at the time of the first birth and restored at some specified age fixed by the first birth.

A third plan would be to have the

(CONTINUED ON PAGE 16)

OUR DIVIDENDS

*are neither estimates
nor guarantees . . .*

But we're proud of them just the same!

Effective July 1, they're going up again — for the second consecutive year.

We've always had competitively priced products. Our higher dividend scale simply makes good products better.

Yes, we're proud of our dividend improvements. They mean a better buy for our clients — and better sales opportunities for our representatives.



PHOENIX MUTUAL LIFE INSURANCE COMPANY

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Study Urges More Comprehensive Health, Help For Aged

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groups as the aged and disabled, there is reason to believe that the government will act.

The consumer gives every evidence of wanting security and predictability. He is likely to insist on testing schedules, representation at policy levels, channels for grievances, minimum standards, evidence of quality that a layman can understand—in short, he is likely to move into a more influential position.

The providers of care and the financial machinery will have to accept the shift in power. The situation is such that it appears that the only defense by the professional against an unwarranted shift is for him to close the gaps sufficiently fast and maintain standards of performance sufficiently high so that public pressure doesn't fill the vacuum, and in the process take over complete control. This implies a full acceptance of his new economic responsibilities and the development of greater sophistication in social strategy.

"How well the voluntary system closes the gaps will be watched closely by government at all levels—local, state and national. The system will likely be held in less awe and judged more and more in terms of its ability to get things done," he warned.

Findings Are Listed

Among the findings of the survey are these:

- Hospital overstay costs \$15 million a year.
- The amount of unnecessary admissions is not significant.
- Insured persons have a higher hospital admission rate.
- The length of hospital stay increases as the patient's insurance or other sources of payments increase.
- Smaller hospitals have the highest percentage of understay and the most ineffective use.

Based on records from 5,750 patient discharges in 1958, researchers found that overuse of hospitals totaled 200,000 patient days in that year and underuse 70,000 days. A projection of the same rates of overstay and underuse indicates that the total bill for unnecessary care is probably close to \$15 million. Since Blue Cross covers half of the population, elimination of overuse would mean a saving of about \$7.5 million annually, "a significant contribution toward overcoming its current deficit," the survey revealed. Underuse of hospital facilities was estimated at about \$5 million, and inasmuch as half of this would be chargeable to Blue Cross, the net savings from eliminating underuse and overuse would amount to about \$5 million for that plan.

Few Days Make Difference

While a few bizarre cases of abuse may attract wide publicity, researchers noted that the real threat to adequate and economic health care comes from a large number of one and two-day understays and overstays. "A few days longer in the hospital, multiplied by hundreds of thousands of patients, can seriously jeopardize voluntary health insurance and prepayment plans," they said. "It will take a far more sophisticated organization to cope with this problem than it would to handle flagrant abuse. We believe hospital administrators and physicians have or can acquire this sophistication."

As a group, only hospitals with less than 50 beds have more understay (13.9%) than overstay (8.5%) among their patients. They also have the

largest total ineffective use. "This is so gross a failure in effectiveness as to suggest that the size of these hospitals is incompatible with their functions," the report noted.

Source of payment also influenced the level of hospital effectiveness. When the patient footed the entire bill himself, understay (16.7%) was far more common than overstay (6.3). When the bill was paid by any other source, whether or not the patient par-

ticipated, the reverse held true—overstay (11.8%) was twice as common as understay (5.6%). When the major source of payment was insurance, the average length of stay was 6.3 days; when the patient paid for himself, it was seven days; when the patient had Blue Cross-Blue Shield, 7.4 days; and from all other sources and combinations, 10.5 days.

The average size of the total hospital bill decreased as the patient's share

of the total payment increased. The more sources of payment the patient had, the longer he was likely to be hospitalized. Also, patients whose bill was paid by several different sources used two to three times as much diagnostic X-ray service and from 1½ to two times as much laboratory service.

The size of the hospital bill increased with the size of the hospital. However, "higher cost hospitals are doing more for their patients," the report noted.

Unnecessary admissions did not constitute a major problem. Only 4.3% of

Here's one reason why Acacia Fieldmen can offer "Tomorrow's Protection Today"



Front Row L to R: Mr. Anthony J. Mullen, C.L.U., Manager, Norfolk Branch; Mr. Harry J. Shaffer, Agency Vice President; Mr. Howard W. Kacy, President; Mr. Vernon R. Zimmerman, C.L.U., Manager, Rhode Island Branch; Mr. Samuel E. Mooers, C.L.U., Manager, Northern Virginia Branch.

Back Row L to R: Mr. Clarence L. Fritz, Manager, Newark Branch; Mr. Leslie H. Warshell, C.L.U., Chicago Branch, President of the Acacia Quality Club; Mr. R. Kelly Sheridan, C.L.U., Manager, Rhode Island Branch; Mr. Samuel E. Mooers, C.L.U., Manager, San Diego Branch.

In 1929, Acacia created an entirely new concept in Home Office and Field relations by establishing its Field Advisory Committee. For more than thirty years the Committee has, as its name implies, functioned in an advisory capacity to Acacia's Management. The resulting close association between Home Office and Field has avoided the "trial and error" methods customarily used in developing life insurance coverage, effective sales aids, and improved services to policyholders. In addition, it has assisted the Company in developing a unique plan of agent's compensation backed up by equally generous disability, death and retirement benefits.

Pictured here, with Acacia's President and Agency Vice President, is the 1961 Committee before a series of meetings with members of Acacia's Home Office Staff held recently at the Hotel Del Coronado, Coronado, California. To qualify for membership these Acacia managers last year achieved outstanding results in all phases of agency management—quality production, new manpower and conservation of business. Small wonder that service on the Field Advisory Committee is considered one of the greatest honors a manager can achieve. Small wonder, too, why Acacia, in turn, places such a high value on this most important management-field relationship.

Acacia is proud to pay tribute to these men who through outstanding performance earned the right to represent their associates at the round-table conference.

ACACIA MUTUAL LIFE



INSURANCE COMPANY

Howard W. Kacy, President

Home Office: Washington, D. C.

the patients admitted should not have been. Far more common, the report said, was underuse of diagnostic treatment procedures. More than one patient out of four failed to receive procedures that were required by their diagnosis. Other things being equal, those insured for 70% of hospital expenses had an admission rate almost twice that of those who had no coverage.

The portion of the survey devoted to population found that half of the families in Michigan had Blue Cross-Blue Shield coverage while one-fourth was

protected by private insurance. The Blue plans typically provided a greater degree of protection than private insurance, both for group and nongroup coverage, the report said. For both prepayment and insurance plans, group protection was typically more comprehensive than nongroup.

Less Than A Fifth Covered

Although prepayment plans cover hospitalization pretty well—four-fifths of these expenses being met in this manner—less than one-fifth of doctor bills are covered. Therefore, nearly

half of all medical expenses are virtually without coverage, the researchers declared.

They said that the uneven distribution of total health care bills emphasize a need for more comprehensive coverage. Half of the families had total health costs of less than \$200 in 1958, but one family in five paid \$500 or more. The average hospital bill for everyone was \$30, but for one person in eight who was hospitalized, the average cost was nearly \$250.

Low income families tend to spend more money on medical expenses than

high income groups, and use of health care services increases steadily as family incomes decline below \$8,000. Family in four had an income of less than \$3,000, and it spent 13% of income on health care and prepayment plans. One family in four had an income of \$7,500 or more, but this averaged only 4% for health care.

Probing into the health care situation for people over 65, researchers found that as a group, the aged "peculiarly and unpredictably vulnerable to medical expenses and unwilling in resources to meet these expenses." They observed also that as a person ages, he becomes more subject to chronic diseases, but his health insurance coverage tends to concentrate on acute illnesses." Particular attention should be given to the problem where families otherwise supporting are reduced to dependence as the result of large medical bills.

The researchers commended Michigan legislature for promptly implementing the 1960 social security provisions for medical assistance aged.

Since a tendency for laid-off employees to allow their coverage to lapse was found, the report recommended management and labor explore the possibility of paying for coverage of temporarily laid-off workers either directly through accumulation of reserves. That unemployment benefits be expanded to include payment of premiums in some standardized amount was suggested.

Noting that some of the Blue Cross plans permit retired individuals and dependents to retain group coverage at group rates at their own expense, researchers suggested that prepayment plans, insurance companies, employers and labor groups cooperate to make this privilege universal.

Prepayment plans were also recommended to enroll families which are not eligible for group coverage in companies which have benefits as comprehensive and rates as nearly comparable to group plans as possible. The report team further recommended that prepayment contracts be noncancelable and guaranteed renewable, that prepayment plans broaden their benefits and that make these more comprehensive policies available to as many people as possible without undue discrimination in pricing.

Panel Of Young Agents Of Program Of N.Y.C. Announced

The educational portion of the program of New York City Life Underwriters Assn. at its annual meeting, June 1, will consist of a panel of 12 young agents. Title of the panel will be "Accent on Youth."

Panelists will be John H. Auer, Mutual Benefit Life; Theodore J. Mander, Penn Mutual Life, and Edward H. O'Rourke, Massachusetts Mutual. All are members of Million Dollar Round Table.

Officers and directors will be present at the meeting, which will be held in the north ballroom of the Hotel New Yorker.

Yudell Goes To Chicago New England Life Manager

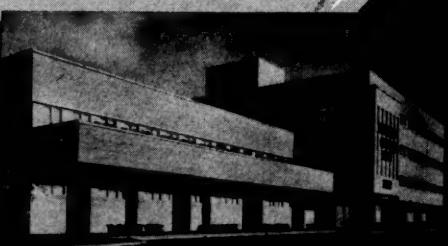
In the May 3 issue of THE NATIONAL UNDERWRITER, it was incorrectly stated that Harvey C. Yudell, manager of New England Life at Flint, Mich., has been transferred to Detroit. Yudell has been transferred to Chicago, where he succeeds Harold V. Hayes, who has relinquished his management duties to devote his full time to personal production with New England Life's Gruendel agency.



Republic National
Life is now in
35th place among
all companies in
amount of Life
Insurance in Force,
and in 29th place
among all U.S.
Companies.

We at Republic National Life have moved dramatically forward, confident in our belief that we possess a special formula for sales success. To the man gifted with that extra spark of enthusiasm and the imagination to romance the basic miracle of Life Insurance in action, we offer a sales contract with a built-in Magic Carpet to better living. In fact we dare any man big enough to fit our special pattern for sales success to find a more profitable opportunity than a sales contract with the "GO" Company.

Theo. P. Beasley
Chairman of the Board

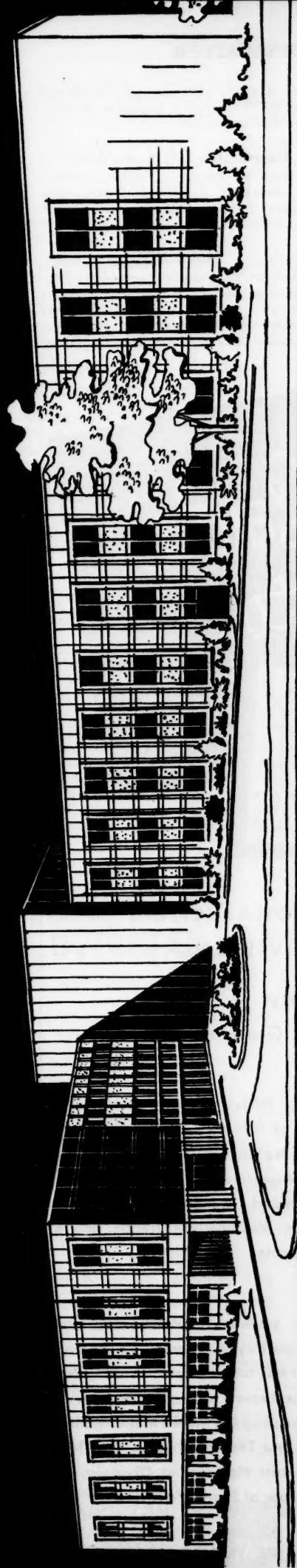


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LIFE • ACCIDENT • SICKNESS • MEDICAL AND SURGICAL REIMBURSEMENT • GROUP
HOSPITALIZATION • PENSION • BROKERAGE • COMPLETE REINSURANCE FACILITIES

NEW PROFILE OF SERVICE



A building tells the story of the company it keeps. First, it says that the business has grown to require it, that its product has found public favor. Its look should also reflect the character of its occupants.

This new building for Ohio National Life is free of frills, austere functional. A cubic poem of uncluttered masses with bold accents and exciting contrasts of materials. It solidly reflects, we feel, the strength of our company as well as of life insurance. Our interior decor is youthful, friendly, stimulating. And, with wise use of plastic laminates and washable finishes, it's as easy to keep clean as a china dish.

Every square foot of it is designed and precisely equipped for accurate, punctual service, with flexibility to focus on individual needs. And what an environment for sparking new ideas!

Starting in one room in 1910, our insurance-in-force has multiplied six times in the past 25 years, now stands at more than one billion dollars. Such growth doesn't just happen. It is eloquent testimony that Ohio National Life offers what people want and need in life insurance. Unusual flexibility of policies to custom-fit every family or business situation. Attractive rates with mutual dividends. Proven accuracy and punctuality in

normal communications plus those cherished ONLI extras—top caliber agents' training to develop real professional competence . . . a hand-in-glove working partnership between home office and field force . . . and that invaluable peace of mind, for both agents and policyholders, best inspired by a steady growth record like ONLI's.

Here, with our first tailor-made home office facility, we have the tools to bring added meaning to "life insurance," new dimensions in service and provision for economic security, which will unfold new sales horizons for ONLI agents.

Ohio National Life
THE

NEW ADDRESS / WILLIAM HOWARD TAFT ROAD AT HIGHLAND AVENUE • CINCINNATI 19, OHIO

OHIO NATIONAL LIFE'S NEW PROFILE OF SERVICE

Home Office Changes

Mutual Trust Life

Thomas C. Lenick has been appointed agency services manager and Gerald B. Dewey field operations manager.

Great-West Life

The company has named J. E. Morrison, executive vice-president, and P. S. Bower, vice-president and treas-

urer, directors. Mr. Morrison has been with the company since 1932 and Mr. Bower since 1925.

Republic National Life

William A. Boles has been named assistant vice-president in charge of group sales. He joined Great-West in 1955 as a group representative at Dallas, and was transferred to Birming-

ham, Ala., in 1957 as regional group manager in charge of Alabama, Mississippi and Tennessee.

Home Life Of New York

James M. Schenkel, assistant actuary, has been promoted to associate actuary. He is a fellow of Society of Actuaries.

N.A.L.&C.

Herbert C. Dunkley, actuarial vice-president, has announced his resignation from that position effective May 31. He expects to engage in consulting

actuarial and managerial work in northern California.

United States Life

Robert C. Franke has been appointed assistant regional superintendent of agencies. He has been general agent of Franklin Life and of Berkshire Life at Philadelphia and before that was a supervisor of New England Life at Newark.

Robert C. Franke

Penn Mutual Life

Henry B. Ramsey Jr., assistant actuary, has been appointed associate comptroller. He is a fellow of Society of Actuaries.

Provident Mutual Life

Samuel E. Thompson, assistant auditor, has been promoted to auditor.

California Life

C. R. Coulter has been named vice-president.

Citizens Life Of New York

George Brummer has been named assistant actuary. He had been assistant secretary and co-manager of the policy service department of United States Life.

Life & Casualty

Richard H. Miller Jr. has been named field training supervisor in the

Conventions

May 31, Fraternal Actuarial Assn., midyear, Royal York Hotel, Toronto, Ont., Canada.
 June 1, CLU-CPCU building dedication ceremony, Huebner Hall, Bryn Mawr, Pa.
 June 1-2, Society of Actuaries, regional, Royal York Hotel, Toronto.
 June 2, CLU national seminar, Sheraton Hotel, Philadelphia.
 June 4-9, National Assn. of Insurance Commissioners, annual, Bellevue Stratford Hotel, Philadelphia.
 June 7, Actuarial Club of the Pacific States, annual, Ambassador Hotel, Los Angeles.
 June 8-9, Society of Actuaries, regional, Ambassador Hotel, Los Angeles.
 June 12-14, International Assn. of A&H Underwriters, annual, Waldorf Astoria Hotel, New York City.
 June 19-21, Life Convention, medical section, Homestead Hotel, Hot Springs, Va.
 June 19-30, American Life Convention, Life Officers Investment Seminar, Beloit College, Beloit, Wis.
 June 22-24, California Assn. of Life Underwriters, annual, Biltmore Hotel, Santa Barbara.
 June 24-26, Million Dollar Round Table, annual, Americana Hotel, Miami Beach.
 June 25-28, Consumer Credit Insurance Ass., annual, Sheraton Towers Hotel, Chicago.
 July 27-29, National Assn. of Life Companies, annual, Sheraton-Charles Hotel, New Orleans.
 July 30-Aug. 5, CLU institute, University of Wisconsin, Madison.
 Aug. 13-19, CLU institute, University of Colorado, Boulder.
 Aug. 21-23, International Federation of Commercial Travelers Insurance Organizations, annual, La Fonda Hotel, Santa Fe.
 Aug. 28-Sept. 1, National Insurance Ass., annual, Sheraton-Park Hotel, Washington, D. C.

NORTHWESTERN NATIONAL LIFE'S PACIFIC (On-the-Go) DIVISION—

**And to the Puget Sound Agency,
A Key Factor in the Division's Growth**



Rae C. Greene

Newest Divisional Office in N/W National's planned program of bringing its Home Office closer to the Field is the Pacific Division, headed by Superintendent of Agencies Rae C. Greene, with headquarters at Portland. The division supervises agency activities in Washington, Oregon, Idaho and Northern California.

Rae C. Greene

N/W National's Puget Sound Agency, established a short five years ago, has under the guidance of Manager Roy W. Moren, set an enviable record of growth and progress. It has taken its place among N/W National's top agencies in providing increased protection and service to residents of Western Washington. Assisting Mr. Moren in the agency's development are William W. Lukoskie and Ted Holzknecht, Unit Managers at Seattle, Carl G. Ostergren, District Manager at Olympia, and Kenneth I. Olson, C.L.U., District Manager at Everett.



Roy W. Moren



William W. Lukoskie

Ted Holzknecht

Carl G. Ostergren

Kenneth I. Olson, C.L.U.

NORTHWESTERN NATIONAL LIFE INSURANCE CO.

Minneapolis, Minnesota

A Service Guide

CONFIDENTIAL NEGOTIATIONS FOR
SALE OF INSURANCE COMPANIES

Ralph F. Colton

30 N. LaSalle St. Chicago 2, Ill.

Financial 6-9792

al work in agency department. He had been manager of Prudential at Louisville. He is CLU.

STANDARD SECURITY LIFE has promoted Martin L. Rein from secretary-treasurer to senior vice-president and secretary. Leonard I. Shankman, director and chairman of the executive committee, has been appointed treasurer.

FARM & HOME of Indianapolis has named William E. Meade secretary. He was formerly assistant to the treasurer.

ROYAL ARCANUM, a fraternal organization, has appointed Sanford F. Albert director of agencies and field activities. He has been supervisor of agencies of Gotham Life.

PROGRESSIVE LIFE has promoted Lester H. Grubman from assistant treasurer to vice-president, new business, and assistant treasurer.

AMERICAN HOSPITAL & LIFE of San Antonio has named Dempsey L. Holt field agency supervisor.

SENTRY LIFE of Stevens Point has named Robert C. Jacobs, executive vice-president; D. M. Colby, R. H. Beck and V. H. Homes vice-presidents, and R. T. Wray vice-president and controller.

COMMONWEALTH LIFE of Louisville has named John C. Grubb, field management vice-president, in charge of all field management operations.

WESTERN PACIFIC has named Robert W. Hill vice-president in charge of life production. He has been with Guardian Life five years as general agent. His background also includes experience as assistant manager with

State Mutual Life, district agent for five years with New England Life and owner of his own San Jose, Cal., agency.

WESTERN LIFE of Hamilton, Ontario, has named J. B. Simpson president and managing director, H. P. Skoglund chairman; F. A. Danna assistant general manager, C. S. Hyslop secretary, and W. K. Schwarz treasurer.

C. Ronald Jacobson has been named a vice-president of **FIRST NATIONAL REINSURANCE** of Indianapolis, organized in October, 1959, to handle reinsurance exclusively in life and A&S. Mr. Jacobson will be in charge of new business.

St. Louis Life Assn. Names New Officer Slate

Underwriters Assn. of St. Louis has elected Thomas V. Fitzgerald of New York Life president; W. Stanley Stuart, General American, 1st vice-president, and Rivers E. Booth, Travelers, 2nd vice-president.

New directors are Milton J. Serkes, Aetna; T. Lynn Prewitt, John Hancock; Robert E. Bird, Mutual Benefit; Emil Miles, New England Life; Alois J. Lorenz, National Life of Vermont; Joseph W. Mooney, New York Life; John J. Moore, Lincoln National, and Tyndale F. Rutledge, Massachusetts Indemnity.

Milwaukee Assn. Elects

Milwaukee Health & Life Claim Assn. has elected Jean A. Carey, Association Insurance, president; Glen C. Alexander, Personal Indemnity, vice-president, James Abrams, Catholic Knights of Wisconsin, secretary, and Richard Meyers, Blue Cross, treasurer.

Two-Year Incontestability A&S Plan Rule Amended And Passed By N. C. Senate

The bill which would place a two-year statute of limitations on pleas of fraud as a basis of non-payment of claims on health insurance policies has passed the North Carolina senate but with important amendments.

Amendments inserted on the senate floor provide that the incontestability provision will not apply to hospital policies paying \$5,000 or more for

any one sickness or injury, or to disability policies paying \$100 or more per month for 12 months or more, or to franchise policies.

Following passage, the bill was sent to the house for consideration of the amended version.

John W. Cowee, professor of business administration at University of California, has been named dean of the school's graduate school of business administration replacing Edward T. Grether, who has resigned to devote full time to teaching and research.

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INCREASED INCOME
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1960	\$415,964,468
1956	127,927,609
1952	4,408,032

We are continuing to develop a quality Ordinary agency force in depth, producing the highest type of business at a reasonable cost. Our key representatives must be financially solid, reasonably trained, with a responsible standing in the community in which they reside, and have the ability to select and direct men.

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Changes In The Field

Life Of Virginia

James E. Lively has been appointed manager of a new ordinary agency at Charleston, W. Va. He has been general agent there and at Oak Hill, W. Va., for Atlantic Life and before that was a supervisor of Travelers.

John H. Judd has been named manager of a new ordinary agency at

Nashville, where he has been general agent of Atlantic Life. Prior to that he was with Volunteer State Life.

Joseph W. Lumpkin Jr. field training supervisor at Miami, has been appointed district manager at Fort Lauderdale. He is succeeded by Alphonso Bellacome, associate district manager at Miami.

Ralph D. Murrell, district manager at Radford, Va., has been transferred to Albany, Ga. He has been associate district manager at Bristol, Va., and an agent at Norfolk.

has been a district manager of Massachusetts Mutual.

Prudential



D. N. Packwood

Delbert M. Packwood, manager at Peoria, Ill., for the last two years, has been appointed manager at Albuquerque.

He was in charge of the Albuquerque agency in 1957 and 1958 prior to transferring to Illinois.

having started with the company as special agent for the Denver agency in 1949.

Franklyn O. Clymer, Bay City, Mich., staff manager for the Saginaw district has been named district manager at Flint. He succeeds William Wright, who retires June 1.

Mr. Wright joined Prudential in 1927. He became a staff manager in 1930 and was elevated to his present post in 1946.

Frank D. Hayes has been promoted to training consultant at Detroit. He was formerly a staff manager at Wyandotte, Mich. He began with the company in 1952 at Palmer Park and was promoted to staff manager there the following year.

United States Life

The Milliman agency has been appointed general agent at Denver, where Donald Milliman, a principal, has been brokerage manager of Manhattan Life of New York and before that was assistant supervisor of Aetna Life.



Donald Milliman

Connecticut Mutual Life

Marvin Lear has been appointed assistant general agent to head a new office at Lexington, Ky., where he had been with Massachusetts Mutual.

Franklin Life

Jack V. Dancer has been appointed a general agent at Longview, Tex. He was an agent three years for Southwestern Life of Dallas.

Occidental Of California

R. Patrick Blevens has been appointed assistant branch manager at Pasadena. He is the son of Buryl Blevens, a principal in the company's Dickson-Blevens general agency at Los Angeles. The younger Blevens has been an agent with that agency the past four years, achieving a top sales record with his company and twice winning the National Quality Award. The elder Blevens has been with Occidental Life since 1932.

David J. Huber has been named

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anager of brokerage manager at Milwaukee. Mr. Huber, who joined Occidental there in 1955, previously served as agent and assistant brokerage manager.

Mutual Of New York

Richard E. Myer, manager at New York, will retire June 1 after 40 years with the company. He will be succeeded by Monroe M. Diefendorf, current manager of another Mutual agency in New York. Mr. Myer joined the company as a district manager at Elberon, N. Y., became manager of field force of the Alberon office, and manager at Harrisburg, Pa., and Detroit. In 1941, he was appointed manager to transfer to Illinois company in Denver and



Retirement should be fun for Richard E. Myer, manager of Mutual of New York at New York, if one can judge by the happy atmosphere at a luncheon honoring him in the Vanderbilt Hotel. J. McCall Hughes, executive vice-president, left, shakes hands with Mr. Myer, while Monroe M. Diefendorf, Mr. Myer's successor, and Stanton G. Hale, vice-president for sales, right, look on.

at New York, to succeed Julian S. Myrick. Mr. Diefendorf joined Mutual at New York where he later was named assistant manager. He became project supervisor in the market development division and after that a manager in New York.

Peter A. Peyser, manager at White Plains, has been transferred to New York, to succeed Mr. Diefendorf. Mr. Peyser was associate general agent of Manhattan Life of New York before joining Mutual in 1956.

Mr. Peyser will be succeeded by Roy F. Hillmer, former assistant manager at Boston.

Occidental Life of Raleigh

Named regional managers are John G. Hudiburg at Albuquerque, Andrew M. Clark at Denver, and Raul F. Silva at San Juan, P. R.

Lawrence W. Barker and Harold J. Scott have been appointed managers at Tucson and Santa Ana, Cal., respectively.

Bankers Life, Ia.

Joseph H. Hinkes has been named assistant agency manager at Madison, Wis. He previously was a senior sales supervisor at the home office. He joined the field force in 1953 in Waterford, Wis., was transferred to the home office as a field supervisor in 1956, and named South Bend, Ind., agency manager two years later. He returned to the home office after nearly two years of agency managerial duties, this time to assume responsibilities as a senior sales supervisor.

Several changes have been made in group sales: Gordon R. Johnston to regional group manager at Denver, Colorado; Roger E. Ray and Dean E. Showers, to assistant regional group manager in Milwaukee, and Des Moines, respectively; and A. H. Autry to group representative at Atlanta.

Mr. Johnston joined the home office staff in 1954 in group term and casual-

ty accounting; Mr. Ray joined Bankers in 1947 and served as a group representative in Chicago, Minneapolis, and Milwaukee, for more than 14 years; and Mr. Showers has been group representative in Des Moines since 1959, having joined the company in 1956.

Hartford Life

Eugene C. Clark Jr. has been appointed manager of life sales at Los Angeles, where he has been assistant manager of Mutual of New York.

Volunteer State Life

Appointed general agents are:

Richard L. Crain at Taylors, S. C., where he has had his own general lines agency. He has been a branch manager of Textile General, a fire and casualty company, and before that was with Independent Life.

Don C. King at Charlotte, N. C., where he has been with Atlantic Life and prior to that with Volunteer State.

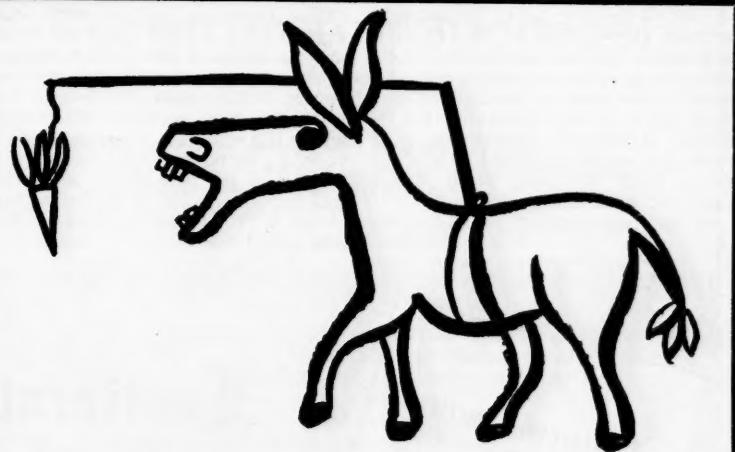
James V. Lee at Dallas, where he has been with the Reinhart general lines agency. He entered the life insurance business with Sun Life of Canada, and operated his own general lines agency for two years, which was later merged with the Reinhart agency.

Howard L. Seconde at Houston, where he has been with South Coast Life, John Hancock and Insurance Company of North America.

James W. Schuman at Lakeland, Fla., where he has been general agent of American Investment Life and George Washington Life. He has been general agent of Blue Grass Life at Ashland, Ky., and staff manager of Life of Georgia.

National Life Of Vermont

George F. Lemble has been appointed manager at Detroit. He has been with Provident Mutual at Ann Arbor. He has been vice-president and education chairman of Washtenaw County Life Underwriters Assn. and is a CLU and member of Million Dollar Round Table.



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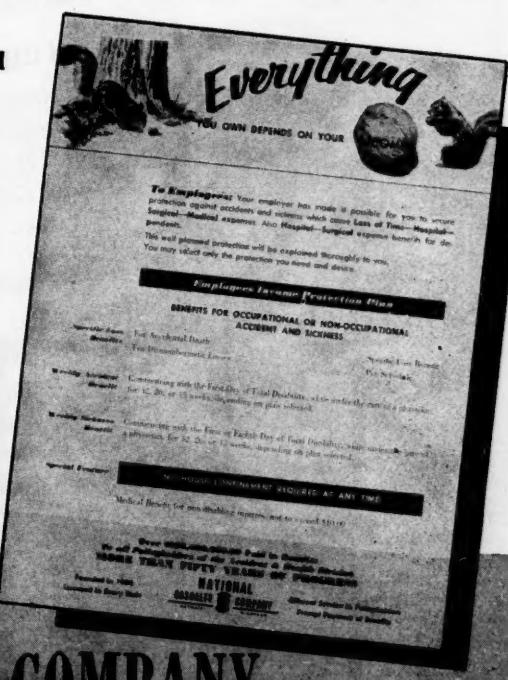
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NATIONAL CASUALTY COMPANY

DETROIT 26, MICHIGAN

Offers Techniques To Aid Proposed Self-Programming Policy

(CONTINUED FROM PAGE 8)

amount of the base policy permanently reduced at the time of the birth of each child. Fourth, the amount of the base policy could be permanently reduced at the time of the birth of each child but level term insurance for the amount of reduction expiring at a selected age would be added to the policy to keep the basic death benefit intact for a desired period.

Of the two methods of adding the

decreasing term benefit, the one providing coverage for the same initial amounts for specified periods following the birth of each child seems to be more in line with the coverages desired in the policy, Mr. Jordan feels.

Of the four methods of adjusting whole life coverage, those methods involving temporary reductions in the amount of the base policy to compensate for the amount of decreasing term, create a "U"-shaped pattern of death

benefit. This pattern does not seem to be compatible with the needs of the insured or the self-programming features that are desired in the policy. It would seem that those methods that permanently reduce the amount of death benefit on the base policy for benefits added because of birth of children would be the preferred methods, according to Mr. Jordan.

Mr. Jordan noted the following administrative difficulties with method

No. 1 (adding options to conventional policies):

1. The incorporation of the various guarantees in the policy language would not be compatible with the needs of the insured or the self-programming features that are desired in the policy. It would seem that those methods that permanently reduce the amount of death benefit on the base policy for benefits added because of birth of children would be the preferred methods, according to Mr. Jordan.

2. Numerous lengthy tables would need to be added to the policy to outline the specific benefits available.

3. Nonforfeiture values will be difficult to compute—exact history of marriage and parenthood of insured required for surrender, policy loan, lapse.

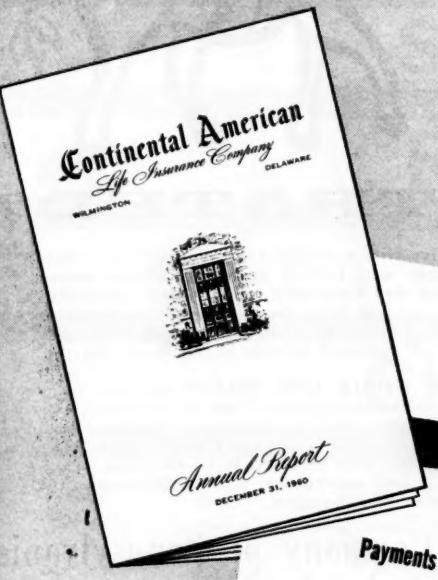
Rate Of Change Decreases

4. The rate of change in policy reserves and values decreases with each change in insured's status. In theory, the company should know each insured's exact status at valuation date. As a practical matter, approximate methods would need to be employed.

5. If the base policy is of the limited payment form, it would be necessary to analyze the policy at the end of the original premium paying period in order to determine if the insured had ever been married during this period on cases where no notice of marriage had been received. Some change would need to be made at this point.

6. Policy language would need to define in order to define coverage in order to avoid unnecessarily increasing coverage for miscarriages, stillbirths, etc., it would probably be necessary to require child to live some minimum period.

7. The company's policy exhibit re-



Continental American
Life Insurance Company
WILMINGTON, DELAWARE

Annual Report
DECEMBER 31, 1960

Continental American

Life Insurance Company

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HIGHLIGHTS OF 1960

Payments to policyholders and beneficiaries greater than in any other year
\$10,424,988 paid to policy owners and beneficiaries—66% in living benefits—proof that life insurance is protection for dependents, but even more important as a means of saving.

\$540,936,789 life insurance in force
A new record! New sales were \$91,354,961, bringing volume of insurance in force to 8% above 1959 and 50% above 1955.

A new record of \$112,478,283 in assets
Continental American is among strongest of all life insurance companies—with assets 11% greater than liabilities (excluding capital funds). Rate of return on assets increased to 3.98% before taxes—highest since 1938.

15% lower operational costs resulted from improved efficiency
Home office expenses per \$1,000 insurance in force held level from 1950 to 1955—were actually reduced from 1955 to 1960. This, together with improved death rates in recent years, makes the cost of owning life insurance in Continental American less today than ten years ago.

Continental American has for more than 50 years endeavored to provide the best life insurance available at the lowest possible cost.

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conventionals of amounts of insurance in force would not be accurately maintained. Approximate methods would be required. It might be necessary to physically change the policy to another policy to cover upon occurrence of marriage or birth or both. If so, this will result in added expense, thus increasing cost of insurance.

9. Verification of insured's history of marriage and children born to him along with dates of each event would be required for claim settlement. Benefits would not be easy to determine. This results in added time for claim settlement and added expense.

10. Multiple marriages or marriage and divorce would present difficulties in handling. As a practical matter, it would probably be necessary to change coverage only upon first marriage and on first two births whether from first or subsequent marriages.

11. It would be difficult to adjust coverage if adjustment desired upon death of wife or children.

12. Many insured will want to change their decreasing term coverage to a permanent form. This would involve rewriting the original policy and require a premium in the original policy for the cost of conversion. Rewriting involves added expense. The premium for conversion cost would be difficult to determine.

13. The policy would need to be limited to issue on only standard lives and occupations. Many added complexities are introduced when the attempt is made to insure substandard lives at issue.

14. It would be necessary to restrict changes in coverage to births occurring prior to a specified age. Probably age should not exceed 45.

15. It would probably be necessary to insure these policies through special agreement if reinsurance facilities are desired since there is no definite insurance as to the exact reserve on any given life.

Under method No. 2, the theoretical-

Pillsbury Terms Agent Greatest Insurer Asset

A life company's financial report contains many facts and figures but one of them reflect the value of one of the most important assets—the agent, John S. Pillsbury, president of Northwestern National, observed in an address at the sales congress of Minnesota Assn. of Life Underwriters. "And, there would be no life insurance industry if it were not for the agent," he said.

"As a matter of fact, when life insurance companies were first organized in the United States, there were no agents. The business almost died a-borning. It was only after agency forces were developed that the business began to grow and flourish.

"The agent is the catalyst who starts the whole chain reaction generating money and energizing the forces which produce the results reported in company's operating statement and balance sheet. He is not merely an important asset, not even just an essential asset but actually his company's greatest asset," Mr. Pillsbury declared.

Ind. Insurer Heads On Committee
Three Indiana life company presidents have been appointed by Gov. Welsh to the advisory committee which will recommend selections for state actuary, a new position established by the Indiana legislature. They are Walter O. Menge, Lincoln National; Clarence A. Jackson, American United; and Walter Huehl, Indiana Life.

proper course to follow in creating a policy such as this would be to design a policy which takes into consideration the probabilities of death, marriage, and parenthood. However, the practical problems surrounding such an approach seem to be insurmountable. This method appears to have all of the disadvantages of the previous method plus many additional disadvantages caused by the consideration of the multiple probabilities. Therefore, it does not seem worthwhile to explore this avenue extensively.

Method No. 3: It would appear that a combination of the two methods previously mentioned might offer distinct possibilities. It should be possible to offer a conventional type of coverage which is modified by certain assumptions as to marriage and parenthood.

One approach under such a method would be for the insured to purchase a policy with a fixed premium payable for life. As in method No. 1, the policy would provide a small death benefit prior to marriage, larger death benefit subsequent to marriage, with additional amounts of decreasing term benefits being made available at birth of each child.

Could Reflect Adjustments

With appropriate assumptions as to marriage and parenthood, it would be possible to construct a set of policy reserves and values, which would reflect the adjustments necessary because of the change in benefits at the assumed ages of marriage and parenthood. The result would be a policy which would have a unique set of reserves and values which could be determined in advance on the basis of the assumptions used.

The restriction of the policy to a unique set of reserves and values is a substantial administrative advantage which would permit the policy to be handled within the framework used for other types of coverage. Such a policy could be handled essentially as any other until it becomes a death claim at which time the marriage and parenthood history would be required in order to determine the exact amount

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Indianapolis Life provides its General Agents effective agency-building tools including career compensation, production incentives, training allowances and an outstanding training program.

Indianapolis Life's General Agents receive liberal commissions and lifetime service fees. For their personal and family protection—group life, hospitalization, and major medical insurance. Non-contributory pension plan provides liberal retirement benefits.

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When actual occurrences of marriage and parenthood differ from the averages assumed, the actual death benefits will differ although the reserves will remain unaltered.

Sees Definite Sales Appeal

Summing up, Mr. Jordan said the self-programing features of this type of coverage should have definite sales appeal. It will not, however, appeal to some agents who would prefer to sell the flexibility generally available to the insuring public through the cur-

rent policy provisions which allow the exchange of one policy for another. Moreover, there may be some danger in stressing the fact that one level premium will take care of the normal needs of the insured, inasmuch as some insureds which have such coverage may offer some resistance to adding additional coverage as needed.

From a company viewpoint, the administrative and policy design problems assume considerable importance. A policy having a unique set of reserves and values for each issue age would eliminate many of these prob-

lems. Such a set of unique values is a very important requirement of this type of policy, Mr. Jordan believes.

Will Get Close Scrutiny

Any completely new type of coverage such as this will be subject to close scrutiny by the state insurance departments. Compliance with the various valuation and nonforfeiture requirements of all states in which the policy would be issued may present some problems. Other problems will present themselves in individual states concerning the drafting of various pol-

icy provisions. It might be well to mention at this point that the standard nonforfeiture law requires that nonforfeiture values for the first 20 years after issue be printed in the policy. Here again, a unique set of values would eliminate many potential problems.

"There have been many new developments in the coverage provided by the insurance industry in recent years such as the family plan, the insurability rider, and the quantity discount method of calculating gross premiums to name but a few," said Mr. Jordan. "The insurance industry is indebted to Dr. Mehr for his most thought-provoking idea. Whether the industry actuaries will be able to solve the various problems connected with this approach and whether the industry sales personnel and the insuring public will embrace it, yet remain to be seen. However, new ideas such as this have played an important part in encouraging the American family to provide for their own security and we should like to personally thank Dr. Mehr for his contribution to this end."

A&S, Life Policy Introduced In Mich.

American Hospital-Medical Benefits and American Community Mutual are offering a hospitalization policy which includes life insurance—the first such policy to be introduced in Michigan.

A one premium, one policy coverage plan offers three choices of benefits under the hospital and surgical section. Three other optional riders are available for extra-ordinary nursing, physician or accident expense benefits. Deductible optional features amount to \$50, \$75 or \$100.

Coverage for a single male, age 21, would include, for a \$7.44 monthly premium, \$20 daily hospital benefit, \$250 miscellaneous hospital expense benefit, \$400 maximum surgical expense benefit, with a \$50 deductible. Life coverage, issued at this age level, would provide \$1,000 insurance to age 65.

Elect At San Antonio

Newly elected officers of San Antonio Assn. of Life Underwriters are President, Robert S. Hemick, Massachusetts Mutual; vice-presidents, W. M. Herbert, Texas Life, and G. C. Langholz, John Hancock; secretary, J. D. Allmon, New York Life, and treasurer, R. J. McCartney, Occidental Life of California.

Homesteaders Life's H. Baird Whittaker agency at Denver led all agencies during April. The leading personal producer was Stanley Whittaker, a member of the Denver agency.

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(CONTINUED FROM PAGE 6)

... and went on to say and briefly enumerated them: Operate your business in such a way that prospective customers are attracted to it, because nothing has been accomplished until a sale is made. This is fundamental it is overlooked by many organizations. Obviously, every department must share the responsibility for ultimate sales results...

Always remember that your customer is your most important asset. It is a service business and we must make it easy for the customer to do business with us...

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Maximize your selling efforts by coordinating all sales activities for all remain to be through one marketing executive such as the man in charge of a product at part in the property, auto, life and health... Be well acquainted with your present and future markets. In order to fully thank you for your markets, you should analyze and project all segments of the economy for 10 years into the future. We just predetermine the environment

we'll be operating in before setting our long range programs. We study gross national product, family spending habits, auto and boat trends, buyer attitudes. Our market research department is split into three sections: Policyholder research; consumer research—attitudes and motivations, of our prospects; market planning—long and short range detailed marketing plans by lines.

—Develop and effectively use a long range marketing plan.

—Recognize social economic trends and continuously adapt your products and your operations to meet the changing demands of the consumer—as related to both products and services.

—Advertise extensively, using all media.

—Merchandise, not institutionally but by pointing advertising directly to the consumer.

—Provide a combination of financial and non-financial incentives which will stimulate every salesman to his best productive effort. Good salesmen are not motivated by money alone.

Before joining Allstate, Mr. Connell



New officers of Chicago Life Agency Managers at the annual meeting. From left: Robert F. Ober, North American Life of Canada, vice-president; M. B. Bay, Prudential, retiring president; D. S. Connell, assistant vice-president life, A&S, Allstate, the speaker; Earle S. Rappaport, Pacific Mutual Life, incoming president; Wheeler Tracy, New York Life, secretary-treasurer, and J. Gordon Michaels, Continental, one of the six new directors.

was a general agent of Provident Mutual and superintendent of agencies of Aetna Life. His father, Clancy B., was president of NALU in 1945-46.

Frank G. Lotito, Lincoln National Life, as immediate past president, presented retiring President Bay with a

plaque on behalf of the Life Agency Managers from General Agents & Managers Conference attesting to his service as president.

The annual golf outing will be held at Brookwood Country Club, June 22. Mr. Rothermel is outing chairman.

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State Mutual's new booklet, shown here, gives briefly the reasons for and advantages of a Group Pension Plan. For a copy, contact your nearest State Mutual Agency or Group Office.



**STATE MUTUAL
OF AMERICA**

State Mutual Life Assurance Company of America, Worcester, Massachusetts

Editorial Comment

What's Ahead In Terminology?

A couple of thoughts occur to us as an aftermath of the first meeting of the committee on life insurance terminology.

One is that a most useful function of the committee should and doubtless will be to act as a sort of radar detection system for spotting and bringing up for discussion the various revolting developments that always occur in the language of an industry as dynamic and expanding as insurance.

Take "ordinary" as an example. Historical evidence seems to indicate that it was applied for lack of a better term to designate the usual kind of life insurance. Such a distinction became necessary when industrial life insurance was introduced and gained popularity. There was no intention of suggesting mediocrity in using the term "ordinary." Who could foresee that in the ensuing century "ordinary" would come to have unfortunate connotations?

But if the committee on life insurance terminology had been in existence a century ago it could have considered the possible implications of "ordinary" and beaten the drum for a more desirable designation. Probably "standard" could have been easily preempted for the purpose, since "sub-standard" and "standard" were not then used in the sense of impaired and unimpaired lives.

Today much of life insurance terminology is so firmly entrenched that it will take the hardest kind of work to dislodge even the most obviously obnoxious terms. But all these terms could doubtless have been stamped out and better ones substituted if the job had been tackled early enough. By keeping on the lookout for future monstrosities and even present ones that are newly born, the committee should be able to be instrumental in getting these animals killed off while they are still weak and wobbly.

The other reaction we had concerns the effort to find a more attractive term than "agent" for the life insurance man who contacts and sells the public. The opinion seemed to prevail—though

no show of hands was called for—that it would be better to have the general public think of the life insurance representative as a "life underwriter" than as an "agent." At the same time, no one disputed the view that probably the public uses neither term but tends to think of the agent as a "life insurance man." Those favoring "life underwriter" appeared to feel that a life underwriter is in some way superior to an agent—that he functions in a broader way than the agent and has a more professional regard for the interests of his prospect or client.

We believe this sort of approach is going to run into trouble or, at best, futility. The plain fact is that any prestige that the term "underwriter" or "life underwriter" may be thought to have as compared with "agent" would completely disappear if "underwriter" should displace "agent" as the generic term in the public's mind. Take an example from the legal profession: Quite a few people consider that "attorney" is a tonier designation than "lawyer," even though a person can act as an attorney without qualifying as a lawyer. But if "attorney" should displace "lawyer" in the public's mind as the designation for the man who practices law, then whatever connotations now go with "lawyer" would inevitably go with "attorney."

It seems likely that any organized effort by the legal profession to abandon "lawyer" in favor of "attorney" would cause the public to feel that maybe things had got so bad that even the lawyers wanted to be called something else. As a matter of fact, however, we believe that most lawyers prefer to be called lawyers, rather than attorneys.

Similarly, we believe it would be unfortunate for the life insurance business to make any organized effort to substitute "underwriter" or "life underwriter" for "agent" or "salesman," until and unless there is a significant difference between a "life underwriter" and an "agent." Since "agent" is likely to be with us for a long time, it would seem unwise to take any ac-

tion that would imply that there is an undesirable connotation about it that the industry would like to sweep under the rug.

Another reason for not denigrating "agent" is that in the fire, casualty and marine fields the agents are well satisfied with "agent" and are trying to create a good image of "agent" in the public mind. They are spending some money at it and seem to be producing good results—results that should be cumulative. It would be ironical indeed if just about the time the fire-casualty agents succeed in getting the public to think an "agent" is a pretty high-class calling the life people should succeed in getting life insurance representatives completely dissociated from the "agent" designation.

Since a large percentage of life agents also sell fire and casualty lines, a life agent trying to sell a life policy to one of his general insurance clients might find himself in the odd position of having to explain that a "life underwriter" is really just as good as an "agent."

As we said in a previous editorial, of all the possible alternatives to "agent" in the life field, probably "life underwriter" is the least objectionable, because it does not attempt to conceal the man's occupation from the prospect or appear to claim broader duties than he really has. But that opinion doesn't mean we believe it wise to make an industry project out of promoting "life underwriter" and trying to keep "agent" out of circulation.—R.B.M.

panel, made up of executives of major U.S. companies, periodically answers questionnaires on current business and economic trends. Articles based on these questionnaires and individual comments of panel members appear in the magazine under title, "A Presidents' Report."

Deaths

HERBERT E. KERBER, 67, retired manager of Equitable Society at Chicago, died in his home. He started with the company in 1915, becoming assistant manager in 1920. He was manager in 1927, which post he held until 1950 when he retired under company rules. He continued as a substantial personal producer, however, until shortly before his death.

JAMES LOTITO, father of Frank Lotito, general agent of Lincoln National Life at Chicago, died.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co., 135 S. LaSalle Street, Chicago, May 22, 1957

Aetna Life	\$
American General	113
Beneficial Standard	48%
Business Men's Assurance	28%
Cal.-Western States	68
Commonwealth Life	65
Connecticut General	225
Continental Assurance	248
Franklin Life	124
Great Southern Life	88
Gulf Life	28
Jefferson Standard	61
Liberty National Life	59
Life & Casualty	33
Life of Virginia	88
Lincoln National Life	114
National L & A	161
North American, Ill.	194
Ohio State Life	52
Old Line Life	68
Old Republic Life	21
Republic National Life	57
Southland Life	102
Southwestern Life	80
Travelers	123%
United, Ill.	49%
U.S. Life	71
Washington National	645
Wisconsin National Life	38%

Personals

Julian D. Anthony, president of Hartford Life, has been elected president of the Boston Y.M.C.A.

Leland F. Lyons, vice-president of New York Life, has been elected president of National Sales Executives International, a non-profit association of 30,000 members and 250 affiliated clubs in 29 countries throughout the free world.

Leland J. Kalmbach, president of Massachusetts Mutual, has accepted an invitation to serve on the presidents' panel of Dun's Review & Modern Industry, the business periodical. The

Membership Trophy To Be Awarded At IAH N Y. Annual In June

Indianapolis Assn. of Health Underwriters will award for the first time a membership trophy at the annual convention of International Health Underwriters Assn. in June. The trophy will go to the president of the local association with the largest number of members as of May 31.

The award, which will be an annual feature, resulted from a bet made in 1959 between the president of the Chicago association, Jack Olson, and the president of the Indianapolis group, W. H. Petersen, Underwriters National Assurance, to see which association would have more members. Indianapolis won with 212, and the rivalry has continued since.

Minn. A&H Assn. Elects

Minnesota Assn. of Health Underwriters has elected Herbert K. Shew of St. Paul president and Walter Bertram, Mutual Benefit H&A, Minneapolis, secretary-treasurer. Corbett Nielsen, Time, Minneapolis, is president-elect.

THE NATIONAL UNDERWRITER

The National Weekly Newspaper of Life and A&S Insurance



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Calls Reserve Seizure For Tax Debts Assault On Contract

(CONTINUED FROM PAGE 5)

Under these circumstances, with the insurer's contractual obligations continuing until the time a foreclosure decree is entered, it would appear that the company is entitled to appropriate monetary consideration for carrying out its contractual obligations, said Mr. Jones, for to deny the company such consideration would, he believes, offend the due process clause of the amendment to the constitution.

More specifically, if the policy calls for application of the cash value as a single premium toward the purchase of extended term insurance or a paid-up policy in a reduced amount, the insurer would appear to have the constitutional right to make such application and to receive and keep the premium. The government would be entitled to receive only the remaining cash value, if any, remaining at the time of the foreclosure decree.

Similarly, the company should be protected under the due process clause in allowing an automatic premium loan provision to operate, even though the cash surrender is consumed somewhat more rapidly by its operation. To enforce the government's tax lien against an insurer by ordering it to pay cash values without any diminution for the cost of insurance provided under the contract would require the company to pay its own funds and not the property of the taxpayer in its possession to the government. This, Mr. Jones believes, is contrary to due process. He said there may also be a constitutional violation in the wholly unreasonable burden that would be placed upon an insurer in checking possible lien records throughout the country in order to protect itself fully from the effect of the government's filing tax liens in any one of some 3,000 county clerk's offices throughout the country.

Ohio Agents' Assn. Elects Good President

David F. Good, Prudential manager at Akron, has been elected president of Ohio Assn. of Life Underwriters. He succeeds Gilbert J. Wellman, Commonwealth Life, Lima.

New vice-presidents are Robert W. Forker, Northwestern Mutual, Zanesville; Hugh M. Hadley, Northwestern Mutual, Columbus; Robert E. Holliday, North American Life of Chicago, Marion; George E. Kinney, Union Central, Ironton; and John R. Telich, Sun of Canada, Cleveland. Lee W. Van Dervort, Mutual of New York, Piqua, was elected secretary-treasurer, and John N. Lenhart, Great-West Life, Cleveland, will continue as national committee man.

Jacob Preus Dies At Minneapolis

Jacob A. O. Preus, 77, chairman and founder of Lutheran Brotherhood and a former governor and insurance commissioner of Minnesota, died at Minneapolis. He had been chairman of the fraternal since 1922 and a vice-president of the brokerage firm of Alexander & Co. since 1925. He also headed the boards of American Voluntary Mutual and American Merchants Mutual. Before going into insurance, Mr. Preus was active in politics, serving for two terms as governor of Minnesota from 1921 to 1925. He was also insurance commissioner from 1910 to 1914.

Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valleau & Co., Board of Trade Building, Chicago

The insurance list closed Friday with strength. Life stocks were the most sought after but a few of the fire-casualty joined the parade, notably Aetna Fire, up 2 for the week; American, plus 1 1/2; Boston 2, Continental Casualty 5, Employers Group 2, Home 3, U.S.F.&G., 3, Springfield, 2.

Star performers in the life list included American General, at 50, up 5; BMA, 5, Connecticut General, 17 points better; Liberty National, 6; Kansas City Life, at \$1740 bid, up 40; Lincoln National, 3; Mass. Protective, 4; Travelers, 3; United Services Life, plus 15; U. S. Life broke into the 70 range with a 4 point advance; Washington National at 65, up 4 1/2; Wis. National, 40, plus 4.

Jefferson Standard Life, which in the previous week had reached 66, dropped back 4.

The rights to buy Criterion Ins. Co. (the newest addition to the Government Employees situation) dropped from a high of \$4 to \$2.50. That is equivalent to a decline in the stock of Criterion, when issued, from \$46, to \$31.

Telephone Employees Ins. Co. of Maryland rights sold as high as \$6 1/2. It takes 300 rights to buy stock at 27 1/2. This has been a tightly held situation until now. A former Government Employees man is a key figure here and some of the G.E.I.C. glamor is rubbing off on T.E.I.C.

— ||| —

The life insurance stocks seem to be in process of working up to a new price-earnings multiple. Going by market highs and lows may be deceiving, for numerous issues at their 1960 low points were selling at what turned out to be no more than 8 or 9 times adjusted earnings for the year. So even a 50% advance in market means that such stocks are still selling at only 12 or 13 times 1960 income (and with all prospects for even better earnings this year). It is still largely institutional buying that predominates in the field of life stocks, with little trace of public speculative excess. The institutional buyers are willing now to bank on restoration of the growth label to life insurance stock. If such an expectation is justified price earning multiples of 20 or so for the ordinary issues and upwards of 30 for the names most highly accented with growth would not be out of line with the price that is paid for industrial issues that possess the growth reputation.

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Insurance Securities Trust Fund of San Francisco, in an analysis of the annual results of the fire-casualty stocks in its massive portfolio, finds that in 1960 the combined loss and expense ratio was 99.3, as against 98.7 the previous year and 100.9 in 1958. Written premiums were up 5.8%, earned up 6.9; loss reserves were 9.1% higher, premium reserves plus 4.4, assets 4.7 higher, policyholders surplus plus 1.7 (as against 7.4 the year before and 26.5 in 1958). Investment income was up 10%, dividends declared were 13.1% higher and the dividend payout was 45.9% of investment income.

The Kemper Insurance Companies increased their investment last year in the stocks of other insurance companies. Lumbermen's Mutual Casualty had 300 shares of Aetna Fire, 1,334 Aetna Life, 660,377 American Motorists, 1,000 American Re-Insurance, 3,500 BMA, 1,250 Commonwealth Life, 500 Conn. General, 700 Employers Reinsurance, 1,100 Federal, 16,000 Federal Mutual, 3,408 Federal Mutual Life, 1,800 Fidelity & Deposit, 625 Fireman's Fund, 1,500 Franklin Life, 400 General Reinsurance, 300 Government Employees Life, 2,700 Hartford Fire, 4,000 Ins. Co. of North Am., 100 Kansas City Life, 600 Lincoln National, 500 National Life & Accident, 700 St. Paul, 1,833 Washington National.

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American Motorists had 400 Aetna Life, 300 Am. Re-Insurance, 400 BMA, 438 Commonwealth Life, 150 Conn. General, 200 Employers Reinsurance, 385 Federal, 450 Fidelity & Deposit, 500 Franklin Life, 100 General Reinsurance, 100 Government Employees Life, 850 Hartford Fire, 150 Lincoln National Life, 500 Merchants Property Ins. Co. of Indiana, 150 National Life & Accident, 250 St. Paul.

Am. Manufacturers Mutual had 75 Aetna Fire, 334 Aetna Life, 66,501 Am. Motorists, 313 Commonwealth Life, 125 Conn. General, 275 Federal, 450 Fidelity & Deposit, 125 Fireman's Fund, 210 Franklin Life, 500 Hartford Fire, 100 North America, 10 Kansas City Life, 125 Lincoln National, 125 National Life & Accident, 400 Pacific, 335 Washington National.

Maccabees N.Y. Field Men Face Hard Choice Pending Re-Licensing

NEW YORK—The New York department declines to give any estimate as to how long it may be before the Maccabees Mutual Life, which succeeded the former fraternal on March 28, is granted a New York license, thereby making it possible for some 2,700 field men with Maccabees licenses to start selling again in this state for the insurer.

About a third of the Maccabees annual production normally comes from New York state.

Apparently the Maccabees believed that the license for the new insurer would go through quickly as a routine matter. However, the department said, in response to a query from THE NATIONAL UNDERWRITER that such licensing is never an overnight matter, but is a matter of weeks and there is no telling how long it may take in a specific instance.

What happened was that when the changeover from a fraternal to a mutual life company basis was about to occur the insurer failed to notify the New York department. When the department learned about the impending change through other channels, it notified the Maccabees that formal application would be necessary, after which the application would be reviewed and if favorably acted upon a license for Maccabees Mutual Life would be issued. As a result, the application was filed, but not until "quite recently," according to the department.

Asked if there is some specific point that is causing delay or may cause delay in issuing a license for Maccabees Mutual, the department said no. It's just that the normal procedure of reviewing an application and issuing a license takes time.

The department also suggested to the president of Maccabees Mutual that it warn its former field force that it may not write business for either the new company or the old fraternal insurer. The company then issued such a notice, about 10 days ago.

As a result of inability to write business for the Maccabees, the field force is in a tough spot. It is not so bad in the New York city area, because most of the agents here are brokers or have licenses with other life companies. However, upstate many Maccabees agents are full-time representatives. General agents may have personal licenses for other life insurers, but as one of them commented, it's difficult to make a quick transition to a different company's products.

Would You Buy Trousers With One Leg?



In our opinion you wouldn't, and the reason being that such trousers wouldn't fill your complete needs. Evaluate the needs of the buyer of a retirement plan and you'll see why our modern and qualified representatives are selling a balanced program of savings with life insurance protection (Guaranteed Dollars) along with an equity investment (Variable Dollars) in Mutual Funds. These salesmen, because the Retirement Equity Accumulation Program they sell contains "both legs," are enjoying outstanding success. In fact, their average sale consists of over \$10,000 of solid life insurance (not term!). Let us show how you can qualify to sell this modern program with field proven material—write me today.

H. J. Neal, Agency Vice-President

Standard Life Insurance Company
OF INDIANA
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Actuaries Are Chosen For NALU Study

(CONTINUED FROM PAGE 1)

at the recent midyear meeting at Ft. Lauderdale, Fla.

At the time of the Louisville meeting, the board indicated that an essential by-product of the association group study would be the dissemination of the collected information in layman language in printed form such that it could be immediately available in situations where a local organization had a mass coverage plan under consideration. In addition, more detailed information would be available from NALU headquarters. The Louisville decision implemented specific recommendations of the group, field practices, federal law and legislation and agents activities committees.

Had Origin In N. Y. State

The idea of a national study of association group plans had its origin in a study made several years ago for the Onondaga County (N.Y.) Medical Society. The society had before it six proposals for association group plans. It asked the Syracuse General Agents & Managers Assn. about the soundness of the plans. The association referred the request to the state life underwriters association. The association felt that if the answer were to carry weight it should not come from within the life insurance business but from an impartial authority. Accordingly, it

engaged Actuarial Pension Associates of Chicago to study the plans and submit an answer.

The resulting report was that for the various reasons enumerated an association group plan would not be desirable for the medical society. However, it was made clear that the answer was intended not to be a blanket condemnation of association group plans but was meant to be applicable only to the specific situation in question; the answer might be the same or it might be different for another professional group.

When the report was made available, a committee of the state life underwriters association conferred for 2½ hours with the economics committee of the medical society. The society's decision was not to buy any association group plan.

Preliminary plans for the NALU study were completed last week at a meeting at NALU headquarters. Representing NALU, besides Mr. McCarty, were NALU Trustee John Z. Schneider, Connecticut General manager at Baltimore, and Franklin M. Nice, general agent for Provident Mutual at Reading, Pa., both of whom are members of the group committee, and NALU General Counsel Carlyle M. Dunaway. At the recent midyear meeting, the group committee had 100% attendance and spent several

hours conferring, in addition to two interviews with the board of trustees.

Bowles, Andrews & Towne was founded in 1948 and has become widely known for its actuarial and management services to the insurance industry. It has offices in Portland, Me., New York City, Richmond, Atlanta, Dallas and Miami.

Meares Heads N.Y. Life Insurance Operations, Succeeds J. T. Phillips

Charles W. V. Meares, who has been vice-president in charge of person-



C. W. V. Meares



Lowell M. Dorn

No. Am. L.&C. In 10 Promotions To Beef Up Sales Drive

North American Life & Casualty has made 10 promotions in what it termed a move to strengthen its sales drive.

Five new vice-presidents were named: Paul Chelgren, from superintendent of agencies, to regional vice-president of sales, supervising a nine-state midwest area with 16 branch offices; Carl Ernst, from A&S director, to vice-president in charge of special risks; George I. Hilliard, from group sales director, to vice-president in charge of group sales; John J. Crane, from divisional agency supervisor, to regional vice-president for the company's 11-state western division, and Charles E. Lapp Jr., from sales supervisor of group, to assistant vice-president at Los Angeles in charge of group sales.

Other promotions were Dr. Donald G. Bohn, formerly vice-chief of staff at St. Barnabas Hospital, Minneapolis, to medical director, replacing the late Dr. Oliver Peterson; Gene Reichel, formerly assistant superintendent of agencies, to brokerage operations director; Myron Anderson, to advertising manager; Donald N. Phillips, formerly a field training supervisor, to director of training, and Jerry Londroche, to agency secretary.

\$4.2 Million Volume In American Life (N.Y.) Drive

American Life of New York has completed its fourth annual sales campaign, with more than \$4.2 million of applied for life volume and over \$28,000 in A&S premiums, a record.

Terry Moores, general agent at St. Paul, took a jet flight the last day of the drive to deliver seven life applications to the home office, and thus nosed out the Boklan agency at New York, which captured second place. In the branch office category, the Providence, R. I., agency was first and East Orange, N. J., took second.

A & H UNDERWRITER

Opportunity in a New England life company expanding its Health Insurance activities to include non-cancellable disability coverage. Requires 5 years experience in A & H underwriting and ability to aid in development of underwriting practices and educational material.

Our own staff is aware of this ad. Write, enclosing complete resume, to Y-50, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

MANAGER OF TRAINING

Large eastern mutual company has an opening for manager of training. Successful background in ordinary sales, plus supervision or home office work essential. Starting salary commensurate with experience. Our own staff knows about this advertisement and replies will be held in strict confidence. Write, enclosing complete resume, to NY-63, National Underwriter Company, 17 John St., New York 38, New York.

Life Underwriter

Excellent opportunity in a growing company in Los Angeles for an underwriter with 3 to 5 years experience in life; some A & S helpful. Good potential. Complete employee benefits. Our staff knows of this ad. Please submit resume to Y-58, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

At the same time, Lowell M. Dorn, vice-president and actuary, becomes vice-president and chief actuary, and elected vice-presidents are Richard W. Baker Jr., real estate and mortgage loan department; John F. Gleason, in charge of personnel; Edward M. McPherson, in charge of general service departments, and Donald E. Meads and Wilson M. Underwood, both in the investment department.

Mr. Meares joined New York Life in 1923 and for many years was head of the mathematical division of the actuarial department. In 1940, he became the department's administrative assistant in matters relating to personnel, after which he was named assistant secretary of the company and then secretary. He is a member of the insurance policy committee of Insurance Society of New York and chairman of the 1961 annual conference of Life Office Management Assn.

Mr. Dorn, who is a fellow of Society of Actuaries, has spent his entire business career with New York Life, joining the company in 1930. He became actuarial supervisor in 1935 and assistant actuary in 1939. He was promoted to actuary and in 1953 became 2nd vice-president and actuary.

Mr. Baker, who had been in the securities and investment department of Mutual of New York, joined New York Life as an administrative assistant. He was appointed assistant vice-president in 1956 and has been 2nd vice-president in the real estate and mortgage loan department since 1958.

Mr. Gleason, formerly a 2nd vice-president in the personnel department, has been with the company since 1948. He became assistant general counsel in 1957.

Mr. McPherson has been with the company since 1927, first at Washington, D. C., and since 1945, at the home office. He has been 2nd vice-president since 1956.

Mr. Meads, also a former 2nd vice-president, had earlier been assistant vice-president in charge of the southwestern regional investment office at Dallas.

Mr. Underwood has been supervisor of public utilities portfolio and assistant vice-president at San Francisco, where he opened the company's first field investment office. He returned to the home office as a 2nd vice-president in 1958.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

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For young progressive northwest life company selling both special and rate policies. Compensation open. Incentive stock available. Excellent opportunity.

Applicants should have 8 to 10 years experience in life insurance sales and management.

All inquiries shall be confidential.

Those interested submit age, personal history, experience, references, qualifications, and expectations in reply to Y-34, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

LIFE and A&S PRODUCTION POSITION WANTED

Here are my qualifications: 1—Agent-Superintendent-General Agent-Ass't. Vice President and President 2—Represented both Large Eastern & Southern Company 3—Ten years Home Office experience 4—Ten years Field experience 5—Developed modern up to date complete portfolio of Life and A&S contracts 6—Trained & supervised over 1000 full time agents, Gen Agents and Managers of a billion dollar Southern company. 7—Over one million of A&S Premium income developed from scratch within 3 years. 8—Bona fide reason for seeking greater opportunity where stock option is available. 9—A personal interview can determine compensation or salary including commission or override on future business produced. 10—Top references. 11—Age 47. 12—Location: prefer South-Midwest-West. Write to Y-57, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

GROUP SALES MANAGER

Rapidly expanding Mid-Western Company needs services of a hard hitting, qualified sales manager for its Group Department. Opportunity unlimited, good earnings and unusually fine working conditions. Our employees know of this advertisement. Write to Y-53, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

the Back Page

An advertisement of the life companies of the American General Group, presented regularly in this space for the inspiration and enlightenment of life underwriters everywhere.

A MIRACLE OF PAPER AND INK

I hold in my hand a life insurance policy: a piece of paper and a drop of ink.

But that isn't all!

I hold in my hand a piece of paper which guarantees that if my earning power is cut off by premature death, my wife will know comfort and security as long as she lives—and this alone is a miracle which gives me peace of mind beyond compare.

But that isn't all!

I hold in my hand a piece of paper which guarantees that when my earning days are done, I shall have the right to live without working . . . so that my wife and I may face our declining years with freedom from fear, serene in the knowledge that when I can no longer earn, or when I no longer want to, we shall have an income as long as we both shall live and as long as the survivor lives thereafter.

But that isn't all!

I hold in my hand a piece of paper which gives me title to a share of the wealth of this world—a cross section of the finest of bonds and mortgages and bank accounts—a piece of property which I can buy in amounts sufficient to satisfy my needs and on installments which I can meet, and which is the safest financial plan ever conceived by the mind of man.

But that isn't all!

I hold in my hand a savings account unrivaled in security, and creative in effect.

Creative it is because it wraps up in a single package my savings account, my guarantees for the security of my wife and my daughter, and my own hopes of financial success—and thus puts my savings account out of reach of petty temptation, yet keeps it instantly available against the hour of true emergency.

Creative it is because it gives me the tremendous psychological advantage of working toward a goal; it

gives me, not the difficult task of saving a hundred dollars a month, but the infinitely easier task of saving \$50,000 at the rate of a hundred dollars a month!

And creative it is because it gives me a definite plan looking toward a definite objective, and thus impels me to greater effort, greater accomplishment, and greater earnings.

But that isn't all!

I hold in my hand a piece of paper which is perhaps the most remarkable contract ever upheld by the laws of a civilized land. For this is a unilateral contract—one under which the obligations are on one side, the benefits on the other. By this contract a great financial institution binds itself irrevocably to the certain future performance of these benefits which I have named . . . yet assigns to me no obligation, but merely the responsibility of saving money regularly. At all times the right to terminate the agreement is mine, but never can the other party withdraw without my consent.

But that isn't all!

I hold in my hand a piece of paper which provides all these assurances, and many more besides, and which further agrees that if disability should cut off my earning power, these benefits will be mine exactly as though I had been able to continue my deposits.

A piece of paper and a drop of ink?

No, a miracle of paper and ink!

Best wishes,

Swanson

Written and first published in June 1939;
Republished from time to time

Some frank opinions on what life is like being married to a Nylic Agent



Mrs. Rosalind Domenitz, Manhasset, N.Y.: When her husband was discharged from the Army, the Domenitzes faced the question of which career he was best suited for. After careful consideration Mr. Domenitz decided to come to New York Life. Writes Mrs. Domenitz:

INCOME HAS TREBLED . . . "I confess I was totally unprepared and not a little dismayed at the prospect of my husband becoming a life insurance salesman. I considered that he would have a thankless and strenuous job.

"I realize now that life insurance is a professional career and I am proud that my husband can administer real

service to people in this highly important field. My husband's yearly income today greatly exceeds that of his best annual earnings prior to joining New York Life. Today we have been able to furnish a new home and are able to afford other lesser luxuries that seemed impossible a short time ago."



Mrs. Clay Thomas of Kenner, La. says that her husband always wanted to go into business for himself, so on November 1, 1945 he joined New York Life. Mrs. Thomas goes on to write:

I HAD THE USUAL WIFELY QUALEMS . . . "Although I respected my husband's ability to succeed, in whatever venture he might undertake, I had the usual wifely qualms about the outcome. I hated to be the kind of wife who holds her husband down, but I'll admit I could just imagine losing our home and living a 'hand-to-mouth existence.'

"Well, New York Life was the answer. Although my husband had no previous sales experience, somehow, from the first day he started, his ambitions for unlimited opportunities and income have been satisfied. And I have no doubts about our present or future security."

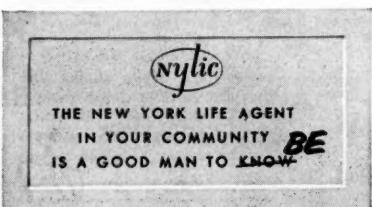


Mrs. Don Hanesworth, Madison, Wisconsin, encouraged her husband to give up a supervisory position with a public utility company in order to start with New York Life. This is Mrs. Hanesworth's story:

FUTURE SECURITY IS EVERYTHING . . . "Since Don has about trebled his old salary," says Mrs. Hanesworth, "we know it was a wise move."

"We also have great confidence in the future, because of the New York Life compensation plan under which agents may qualify for a life income. I think it is far ahead of the retirement possibilities of any other occupation. This is one thing that sold me on New York Life from the beginning. Future security is everything because of that plan and because of the unlimited possibilities of income. Now, after three years, I am more enthusiastic than ever."

*Lifelong security
is the major reason
why wives say . . .*



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